



ATHERTON TALKS CRISIS, WHAT CRISIS?

QUESTIONS OF SPORT HIGHER EDUCATION INSTANT PRIZES TO BE WON 44-PAGE GUIDE TO THIS YEAR'S ENTRANCE

Major battles to calm Tory turmoil

COLIN BROWN
Chief Political Correspondent

John Major yesterday tried to hold his party together with a grim warning to the warring factions they would face certain defeat at an election unless they united behind his leadership.

Clearly fearing more defections which could force him into an early general election this year, he praised the two Tory defectors, Emma Nicholson and Alan Howard, as "nice people".

Flatly contradicting the challenges made by his party chairman, Brian Mawhinney, Mr Major said they were within their rights not to resign their seats and fight by-elections after defecting. "They're both nice people, they've both got decent instincts and I like both of them," Mr Major said on BBC Television's *Breakfast with Frost*.

In his efforts to unite both the right and left wings of his party, he also praised the Eurosceptic Michael Portillo, whose attack on Euro-federalists in the Tory party plunged Conservatives into more turmoil.

"If the Conservative Party does not realise the opportunity that lies ahead of it and throw it away by disputes within itself, then it will lose the election," Mr Major said. He was backed by former minister Michael Mates who said the splits could be "suicidal".

Tony Blair, the Labour leader, who is in Singapore, will today seek to deepen Labour's appeal to wavering One Nation Tories by committing Labour to improvements in the welfare state to give the underprivileged a stake in the economy. He will tell Singapore businessmen that helping more people to take work will cut crime and improve cohesion in society.

Mr Major's olive branch to the Tory left is certain to turn

the stomachs of some on the radical right of his party, who fear he is becoming a hostage to the left's threats.

The turmoil continued as Peter Thurnham, the MP for Bolton North East, threatened to stand as an independent Conservative at the next election in the Lake District seat being contested by Mr Major's former "spin doctor", Tim Collins. Another One Nation Tory MP, Andrew Rowe, denied he was ready to desert the Tories.

Moving the Tories off the defensive and on to their own

duction in bureaucracy. In a sign to the right, Mr Major confirmed that privatisation of the Royal Mail - halted in the face of a backbench rebellion by One Nation Tories - would be put back on the agenda, as a possible item for the Tory election manifesto.

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His determination to hold his party together will strengthen the view on the left

2 news

The Major interview: Labour denounces plans for an education pact on pupils' behaviour and attendance

Parents will be asked to sign school contracts

FRAN ABRAMS
Education Correspondent

Schools will ask parents to sign contracts on their children's behaviour and attendance, the Prime Minister said yesterday.

Labour denounced the move as evidence that the Government was in disarray over education, and said that it had already proposed school contracts. The idea was published by the Opposition last July along with plans for an extension of local management in schools, also raised by Mr Major on BBC1's *Breakfast with Frost* programme yesterday.

David Blunkett, Labour's education spokesman, said the new policy had been水到渠成 to cover up the fact that two out of three pieces of education legislation due this year were likely to be dropped.

Plans to privatise student loans have already been postponed for a year because of opposition from the banks, and Mr Blunkett said that proposals to force all church schools to opt out would be abandoned because the bishops would not accept them.

Dissident 'is threat to stability in Gulf'

COLIN BROWN
Chief Political Correspondent

John Major yesterday said the Home Secretary was right to order the expulsion of the Saudi dissident Mohamed al Masari from Britain because he posed a threat to stability in the Gulf.

The Prime Minister's remarks supporting the controversial move by Michael Howard are likely to be challenged by Mr Masari in court. He is seeking judicial review to overturn the Home Secretary's order to expel him to the Caribbean island of Dominica on 19 January.

Other ministers have linked the expulsion to the threat to British export orders for arms by the Saudi government and have admitted Mr Masari has done nothing illegal.

But Mr Major raised the stakes by warning that Mr

Nursery vouchers of £1,100 will be introduced in four areas, though three will have insufficient places to meet demand.

Mr Major said that Gillian Sheppard, the Secretary of State for Education, would announce details of the new parental contracts for schools. He did not give details but some schools already ask parents to sign statements saying that they will ensure that their children attend regularly, properly fed and dressed, and on time. Schools could also ask for parents' commitment to attend meetings, and to see that children's homework is done.

Mr Major also suggested that more money could be delegated to schools under local management, and that bureaucracy would be cut back. He defended plans to increase the proportion of children that can be selected by ability from 10 per cent to 15 per cent, details of which will be announced today by Mrs Sheppard.

"The classless society is about increasing opportunity, about increasing choice, about sustaining the vivid tapestry of British life. Some people try to



Airing opinions: John Major (right) discussing the Tories' position with David Frost on BBC1's *Breakfast with Frost* yesterday. Photograph: Philip Meech

interpret it as though it was

seeking a blanket uniformity.

That is Socialism," he said.

Mr Blunkett said that Mrs

Sheppard, who is believed to

have resisted the proposals on

student loans and on church

schools, had defeated the Prime Minister. "Mr Major is trying to disguise the fact that he has been humiliated by Gillian Sheppard, who has recognised the dangers of the Government's original plans," he said.

Margaret Morrissey, spokeswoman for the National Confederation of Parent Teacher Associations, said that there was a danger that schools would refuse to take pupils whose parents did not sign contracts.

There was also a danger that those who could not attend meetings because of work commitments would be penalised, and parents' views should be canvassed before the scheme went ahead, she said.

"We are not against anything which is going to be positive and an improvement," she added, "but what we are against is something being brought in quickly and without clear consultation."

Zoo slaughter

Vandals went on a killing spree at Plashet Park children's zoo in East Ham, east London, stamping to death 36 finches, budgerigars, canaries, cockatiels and a buzzard. Two youths were being questioned by police.

Woman lost at sea

Hopes are fading for a woman who disappeared from a Hull-Rotterdam ferry during a storm. The woman - a Dutch national - was reported missing from the *Norsun* at about 9pm on Saturday as it left the Humber.

End of the line?

The name British Rail sets out on a journey into history today. Travellers on trains in the three regions recently franchised off - Great Western, South West Trains and London, Tilbury and Southend Trains - will find that the name BR has been replaced with the corporate marketing label National Railways. If privatisation runs its course, the title British Rail will disappear from all 250 million tickets issued annually.

THE INDEPENDENT ABROAD

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BACK ISSUES

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Tories deny 'spin doctor' to be installed at Number 10

Downing Street has rejected a rival to Labour's PR chief, writes Colin Brown



Tony Blair (left) is not replaced with a political appointment to match Alastair Campbell (right), Labour's press chief

But he was criticised for being too "laid-back" by Tory MPs when Mr Major's leadership ran into a crisis of confidence in 1993, culminating in the leaked comments about Cabinet "bastards" and a report in *The Independent* that the Prime Minister had called some Euro-sceptics "barney" on a visit to Japan and Malaysia.

Chris Meyer, a diplomat who had served Moscow in the early 1980s, before being appointed as chief press officer at the Foreign Office, was plucked from the Embassy in Washington to replace Mr O'Donnell, who returned to the Treasury.

Mr Meyer, who made it clear

when he arrived that he would serve for two years before returning to the diplomatic field, has been scrupulous in avoiding briefing on party issues.

Party briefing was left to Central Office spin doctors, led by Tim Collins. His decision

to fight a safe Tory seat led to the short-lived appointment of Hugh Colver, who walked out late last year, complaining about being required to indulge in too much party propaganda under the new party chairman, Brian Mawhinney.

A ministerial source said the

Cabinet Secretary, Sir Robin Butler, head of the civil service, would object if the Downing Street post became a political appointment.

Sir Bernard became so close

to Lady Thatcher that his off-the-record briefings were taken as "his master's voice".

He was accused of overseeing the mark when he described John Biffen as "semi-detached", but Mr Biffen was quickly dropped from the Cabinet. Sir Bernard was also criticised for making it clear that Lord Howe, in a Cabinet reshuffle, had been given no extra powers as Deputy Prime Minister.

When John Major entered Downing Street, he immediately changed the system, appointing

his former Treasury press officer, Gus O'Donnell, to the job.

They had worked closely together when Mr Major was Chancellor.

Lord Howe's humiliation at

the hands of the Downing Street briefing operation may

have contributed to the bitterness of his Commons attack on the Prime Minister, which led

to Lady Thatcher's fall from office.

It showed that politicising the post of Number 10 press secretary can backfire on a prime minister who is isolated.

Sir Bernard's power and influence in Downing Street was seen by some in the Cabinet to

raise constitutional questions about the ability of the Prime Minister to distance herself from her own Cabinet.

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his former Treasury press officer, Gus O'Donnell, to the job.

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Lord O'Donnell ran the Downing Street press office as a civil servant, carefully avoiding

briefing about party matters.

'Intruder' dies of wounds

IAN MACKINNON

Prosecutors are to decide whether two householders will face charges after a suspected burglar was killed, the second to die in the space of a few days.

The two men were arrested

and questioned at Holborn police station in central London

following the death of a man

from multiple wounds following a struggle at the men's flat.

Both men were released on

bail until 6 March while detectives conduct their inquiries.

The latest incident comes as

the Crown Prosecution Service is

still deciding whether to press

charges over the death of

Robert Ingham, 22, who died

when he was involved in a fight

with Nick Baungartner, 33, at

his home in Ockbrook, Derbyshire.

After the struggle both men

ended up in hospital, where Mr Ingham later died.

Mr Baungartner, who runs a busi-

ness laying tennis courts, was

treated for a broken wrist,

heavy bruising and shock.

However, in the wake of that

Teenager out of ecstasy coma

JOJO MOYES

A teenager was recovering in a

noise about 3.45 am. I went into

his bedroom and he was having

convulsions," she said.

"From my nursing experience

I knew things were far from

right and I telephoned the doctor.

As soon as he arrived he

called an ambulance and David

was taken to the emergency

department.

"He was in a coma for 13

hours. However the hospital has

now told me that he is recovering well.

"It was not ecstasy but I am

not prepared to say what it was

as the police are still making

inquiries," she said.

Mrs Graham added: "David

has come through this and re-

alised his mistake. I hope it will

be a warning to all teenagers

never to take anything, especially

when they do not know what it is."

As he lay in a coma, she had

asked doctors to let his friends

in to see him connected to the

tubes and machines, hoping

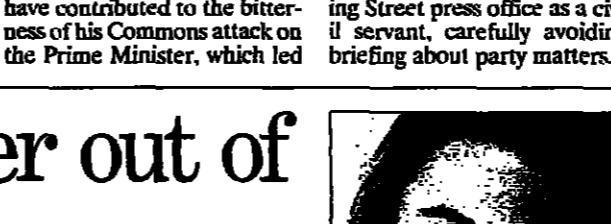
that it would act as a warning

to them not to take drugs.

A 30-year-old man has been

remanded in police custody

after an appearance in court charged with supplying her with ecstasy.



Helen Cousins: Recovering after a relapse last week

"I had no idea on Saturday

morning whether David was going

to live or not," she said.

"They have to see what taking

these awful things can do to

you."

Meanwhile, Helen Cousins,

news

The roads debate: A radical shift in policy could see a switch away from controversial road-building programmes

Motorway tolls to put brake on age of car

COLIN BROWN
Chief Political Correspondent

Britain's major road network could be opened to a pay-as-you-go system for motorists under plans being studied by a Cabinet committee.

Regional corporations would take over the major roads network from the Government, and take funds from motorists by direct charges for using motorways.

Senior ministerial sources have confirmed the plans are being considered, as part of a radical review of transport policy led by Sir George Young, the Secretary of State for Transport.

The Cabinet is still considering the options, but Sir George has told colleagues: "We cannot go on as we are."

The plans are part of the "great transport debate" initiated by his predecessor, Brian Mawhinney, now chairman of the Conservative Party, and will bring to an end the era of continual road building to cope with greater car use.

It is likely to see a shift of emphasis away from planning more roads for private car users to an integrated transport system.

More will be done to encourage more commuters to use public transport. The shift has been accelerated by the cuts in capital spending which slashed the road-building programme, but ministers are also keen to be seen to listen to the environmental lobby. The battle over the Newbury bypass could be the last of its kind. The policy once hailed by Baroness Thatcher as the "great car economy" is about to be reversed.

The plans could be produced in a strategy paper, in an attempt to steal some thunder from Clare Short, Labour's transport spokesperson, who is due to unveil Labour's proposals before Easter. The cen-

tre-piece of Labour's plans will be reversing the privatisation of British Rail, including proposals to take Railtrack back into public ownership or control.

Under the Tory scheme, road tolls could be paid through a tax disc to be displayed on the windscreen - as in Switzerland - or through road charges by computerised tolling systems.

They could take money direct from the road tax, but the Treasury will resist the allocation of earmarked cash for roads from its tax receipts.

The radical shift in the management of British roads is likely to be welcomed by road organisations, because it could lead to higher investment in repairs and maintenance. Officials have said Britain is at a "crossroads" over its love-affair with the car.

Sir George will prepare Britain to turn away from expansion in road building and car ownership, to greater use of public transport. Radical schemes to persuade more people to use public transport include taxing drivers to commute to urban areas in cars, and incentives to use public transport.

After rejecting the idea of integrated transport policy for more than a decade, Sir George is edging towards the policy. However, Sir George, a "One Nation" Tory, is keen to see co-ordinated transport services develop from the ground, rather than to impose a national plan.

He is enthusiastic about the fact that Stagecoach, the bus operator which became the first company to win a franchise to operate privatised trains, is planning bus services to rail stations to increase the use of its rail services.

The deadline for comments on the future of transport in Britain was passed last September, and officials said they were impressed by the quality of the ideas being put forward.



Call to arms: Protesters embracing before the battle, and (left) in one of their treehouses. Photographs: John Lawrence

Protesters at battle stations in Newbury

DANNY PENMAN

Anti-roads protesters preparing to battle against the proposed Newbury bypass were put on the highest state of alert last night for a night they believe will begin within the next 24 hours.

The campaigners have been frantically gathering scraps of information over the last few weeks to try and guess when construction work will start.

During the last week, more than 1,000 security guards have been recruited across London for "an eviction in Berkshire".

The guards have been told they will start work this morning, and carpenters building a police compound at Newbury racecourse were told they must have it finished by last Saturday.

A staff member at Blue Arrow Recruitment told one job seeker that the work will involve "grabbing protesters and removing them from site - it won't be dangerous, you'll only number them four to one".

The organisers of the protest are unsure whether the security guards will be given training. If they are, then construction may not start until tomorrow.

Last night, the Third Battle of Newbury (TBN) protest group, which is co-ordinating the campaign locally, was testing its lines of communication. They expect to summon hundreds of protesters within an hour of work starting and hope to muster several thousand inside a day. They aim to strike

when the construction workers are most vulnerable - as they try and build a secure compound on the route of the road.

As the workers try and build the compound and move equipment into it they are likely to find themselves faced with hordes of protesters chaining themselves to all available machinery. They may also try and block roads in the area.

Another tactic that the construction workers may use is to rely on mobile chainsaw crews to clear trees in the path of the road. If protesters arrive, they may simply leave and move on to a different part of the road.

The protest camps along the bypass route have been turned into a battleground between rival television crews and national newspapers.

Most attention has concentrated on the network of treehouses and tunnels that the protesters have built to hinder the progress of construction. But most of the campaigners have never slept in a freehouse and would not dream of crawling through the network of tunnels. For them the mundane office work is just as important.

"The media gives the impression that you have to be fit and agile before you can take part but there's all sorts of people down here all doing different jobs," said Tim Chapman, a TBN co-ordinator.

"You don't have to be a ecocarrier in a climbing harness to make a difference."

Three win £14m each as Camelot collects £7m

JOHN MCKIE

Camelot yesterday confirmed that three potential winners are to share Britain's biggest lottery prize of just over £42m, in the most popular week for participation since the event began.

Only one of the lucky three had come forward to claim their winnings last night, but requested anonymity.

Around 127.8 million tickets were sold, nearly double the average weekly sale of around 65 million, Camelot said yesterday.

The National Lottery organisers were last night in discussion with players who believed that they had each won £14,002,870 as a result of the double rollover in sales from the previous two weeks. Camelot is preparing to make a further announcement today as to whether the winners are indi-

viduals or a part of a successful syndicate.

As well as the three major winners, Camelot announced that 53 lottery players had each won £104,747 after picking five of the six winning numbers - 2,3,4,13,44 - as well as the bonus ball of 24. The total prize pool was £81,436,302, with an estimated £39m - the usual 28 per cent of the ticket sales - going to good causes. Camelot itself picked up £7m.

The previously biggest prize pool was on 1 April last year, when the total prize money was £44.4m, as opposed to the first National Lottery prize pool of £22m fourteen months ago.

The total spent on lottery tickets was £1.278m, plus an extra £20m on "instants" scratch-cards. Around £60m was spent on Saturday alone.

Demand for tickets because

of the double rollover jackpot was so high that ticket networks at Camelot's two data processing sites at Watford and Liverpool crashed for twenty minutes at Saturday lunchtime, shutting down 19,000 on-line terminals nationwide.

But a Camelot spokeswoman said yesterday: "That didn't really cause a problem. They were working within 20 minutes and between 2pm and 3pm we sold 6 million tickets."

There was lottery fever on Saturday and it was great to see everyone coming together under the common denominator of having fun."

Not everyone in the country was so enthusiastic. The Bishop of Coventry, the Right Reverend Simon Barrington-Ward, yesterday made another call for the abolition of the National Lottery.



The Bishop of Coventry

Judge to rule on claims of BR bias against gays

STEPHEN WARD
Legal Affairs Correspondent

The High Court is being asked to rule on an important test case on whether British Rail is acting unlawfully by refusing free travel to gay and lesbian partners of its staff.

Stonewall, the gay rights pressure group which is backing the case, sees it as a test of employment rights affecting all employers with non-discrimination policies, with implications for pensions and free health insurance.

Heterosexual partners of BR staff, including unmarried couples who have lived together for more than two years, are given travel concessions.

Lisa Grant, who has lived with her partner Gill Percy for more than three years, claims she should be entitled to the

same rights. They have been encouraged by British Airways, which recently extended travel concessions to partners of either sex who have been registered with the company for a couple of 12 months.

Ms Grant is arguing that BR is in breach of her contract of employment. According to Ruth Harvey, Ms Grant's solicitor, BR has an equal opportunities policy which commits it to "ensuring all individuals are treated fairly and are valued irrespective of disability, race, gender, health, social class (and) sexual preference. No one is to receive less favourable treatment on any of the above grounds or is to be disadvantaged by requirements or conditions which cannot be shown to be justifiable".

Ms Grant is bringing a second test case to an industrial tribunal, the middle of the year, and the tribunal by the end of the year.

Angela Mason, director of Stonewall, said: "Lisa Grant's sex, and the sex of her partner, bear no relation to her ability to do her job, so why should she be paid less than other people doing the same job?"

BR said it could not comment because the case was sub judice.

Dorrell accepts mental illness problem

Stephen Dorrell, the Secretary of State for Health, yesterday conceded that there were shortcomings in the system of dealing with mentally ill people living in the community.

Mr Dorrell was speaking in the aftermath of separate court cases last Friday, which saw two men suffering from psychiatric illnesses convicted of killings.

Critics claim thousands of patients are being discharged into the community as hospitals close due to government health policy, but they face inadequate help from local councils and social services.

Mr Dorrell, who 10 days ago announced plans for a new charter for the mentally ill, said he was aware of shortcomings in existing services but saw no need for radical change.

"They are unsatisfactory in a number of different areas for reasons that have been reasonably well-documented in the inquiries that have gone on into the homicides caused by mentally ill people and, more extensively, in the quality of care available to mentally ill people," he told BBC Radio 4's *This Week*.

"It is a great mistake to take individual examples of failure - and there have been too many tragic examples - and say, therefore, the whole system that deals with tens of thousands of people who suffer from mental illness is damaged because of a few failures."

"Our policy is to ensure that those who 30 or 40 years ago were put away in what were human warehouses, but who could perfectly well lead reasonably normal lives in the community with support... should be given a better chance."

"It is obviously equally true that those who need acute hospital care should have it."

Mr Dorrell said the Government was on target to greatly increase the number of beds in "medium secure" units and rejected claims that old-style hospitals were being closed at random without being replaced.

Last week, former mental patient Wayne Hutchinson, who believed he was a tiger, was found guilty at the Old Bailey of the manslaughter of two people and wounding three others in a six-day rampage after being released from hospital in what police and lawyers described as a "blunder".

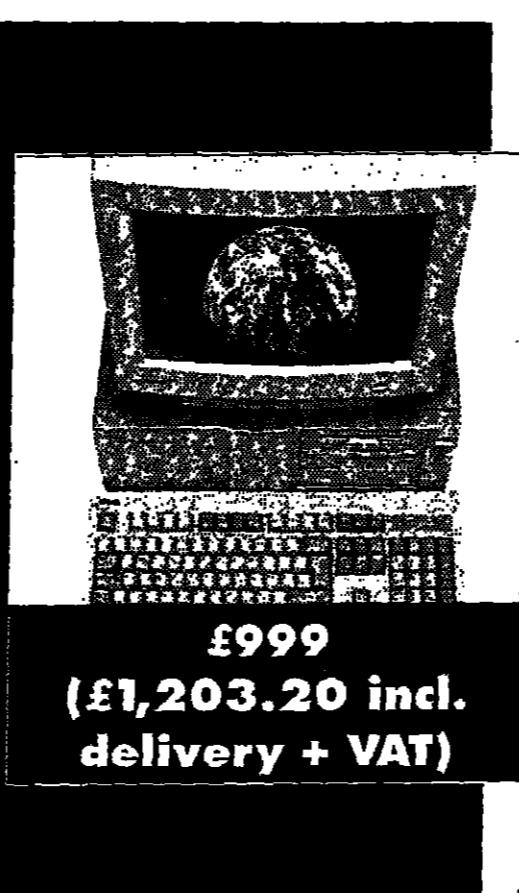
On the same day, another ex-patient, Martin Mursell, was found guilty of killing his disabled stepfather and seriously injuring his mother in a frenzied knife attack.

His mother had pleaded without success with Islington social services to take her son into care. Inquiries are being held into both cases.



Stephen Dorrell: Need for some changes is evident

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[Handwritten signature]

Clinic row: Attempts to choose child's sex condemned

Baby gender treatments are branded a failure

GLENDA COOPER

One in three couples who pay hundreds of pounds to choose the gender of their child at a controversial London fertility centre are ending up with a baby of the opposite sex.

The London Gender Clinic, which opened three years ago, is said to have estimated that its success rates are "more than 50 per cent but less than 70 per cent".

The Labour peer Professor Lord Winston, head of fertility studies at Hammersmith Hospital, is calling for legislation to be tightened up so that those who are not medically qualified in this area can offer treatments. "There is no evidence [gender selection] works at all," he said. "There is a need for us to look at this loophole in the law where people who are not medically qualified can give medical treatments."

Lord Winston, who will be speaking on the subject in his maiden speech in the Lords this week, has tested the Ericsson method that the clinic was using until a few months ago and said that results had shown an "exactly 50-50" chance of getting the sex of your choice.

The system was developed in 1973 by an American scientist, Dr Ronald Ericsson, and relies on the physical differences in the swimming ability of the male and female sperm, which are said to separate at different rates. The sperm are laid on top of a solution and the male ones supposedly reach the bottom of the tube more quickly than the female ones.

Parents who go to the London Gender Clinic, set up by Dr Peter Liu, a biochemist, and Dr Alan Rose, pay £650 for a first treatment with reduced fees of £400 for a second and £350 for a third. It refused to comment this week.

The Human Fertilisation and Embryology Authority has no powers over the clinic because they do not use donor sperm and no sperm is stored there.

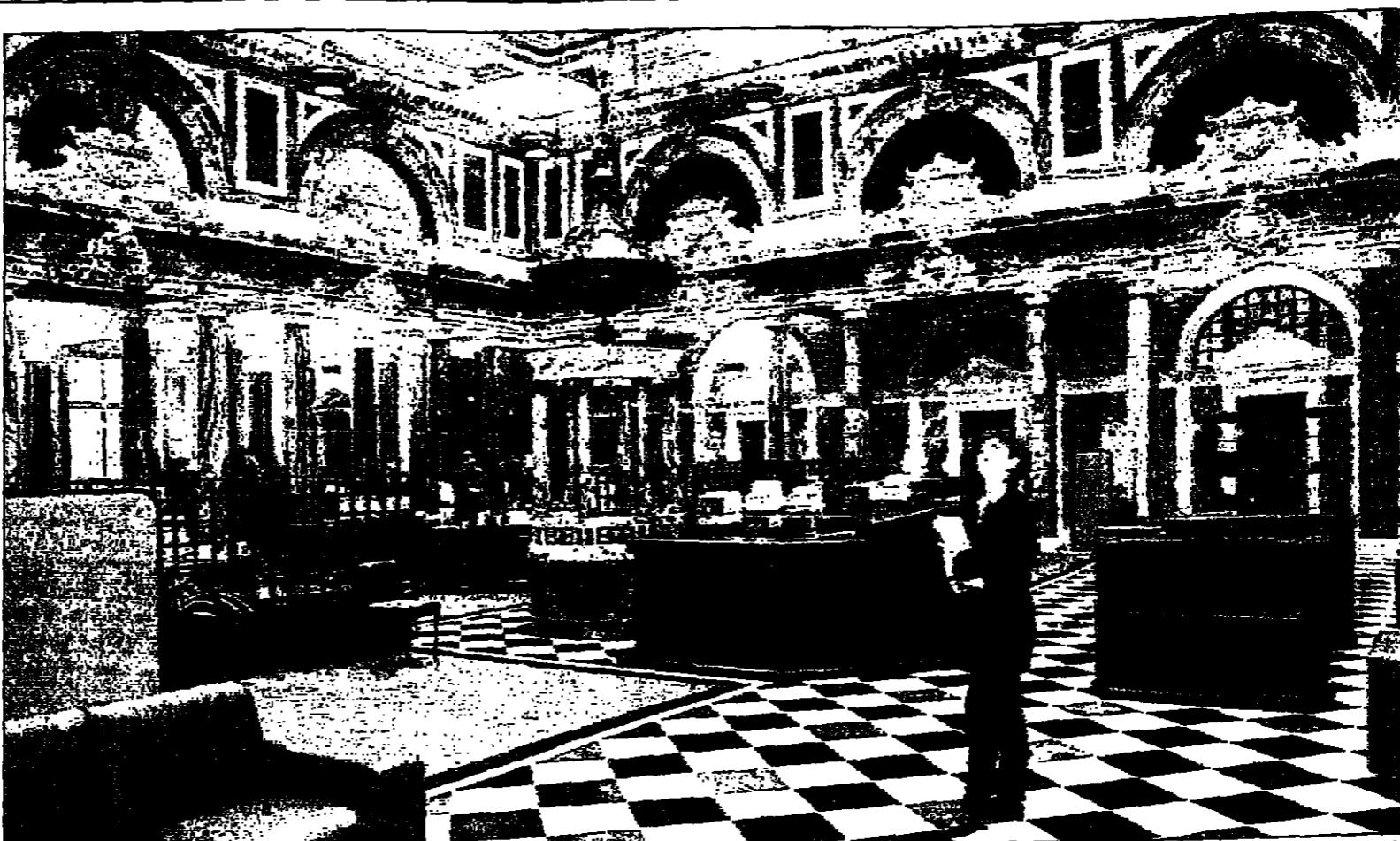
The HFEA believes sex selection techniques are "acceptable for medical reasons where a woman is at risk of having a child with a life-threatening disease", but adds: "The authority is persuaded by the arguments against sex selection for social reasons and this view is strongly supported by the public."

Dr Peter Brinsden, medical director of Bourn Hall, the pioneering IVF (*in vitro* fertilisation) clinic where Louise Brown, the first test-tube baby, was created, said: "It is perhaps chance more than anything else. Technology is not advanced far enough to get respectable success."

He added that he would be in favour of the HFEA bringing sex selection clinics with its remit.

A spokesman for Issue, the national fertility association, said it was "totally opposed to sex selection of embryos except in circumstances of genetic illness which runs in the family".

He added that he was happy that the HFEA had taken a strong stance against it, but wished there were stronger guidelines banning clinics from offering such procedures.



Set in stone: The newly refurbished interior of the Norwich Union headquarters in Norwich, Surrey House. The building is lined from floor to ceiling with marble and work on the renovation took six years to complete

Photograph: Keith Whitmore

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Wild flower may blossom with farmers' help

NICHOLAS SCHOON

The early gentian is one of many types of wildflower which flourished under traditional farming methods and which have been almost obliterated by modern practices.

After decades of decline, it is now recorded in only 49 thinly scattered 10km squares from Cornwall in the south-west to Lincolnshire in the north-east. Botanists chart the abundance of all kinds of plants across Britain by dividing the country up into these squares.

The early gentian, which is unique to Britain, grows up to six inches tall and has small, delicate leaves. A biennial, it puts out a pink, trumpet-shaped flower in its second year, and other members of its family are popular garden flowers.

It is one of 116 declining or endangered British plant and animal species covered by rescue plans drawn up by a steering group of government scientists and wildlife conservation organisations. The Government has said it will respond to the proposals in the spring.

Heritage of the Wild

The early gentian requires fairly exposed conditions, sloping ground and shallow soil on chalk or limestone. Two main reasons for its decline are the ploughing up of grassland and the decline of sheep grazing, allowing scrub to move in.

The steering group proposes that all surviving populations should be safeguarded and that by 2004 the plant should be re-established at 10 sites where it has recently become extinct.

The way to do this, says the group, is to ensure that landowners know what kind of land management is needed to let the early gentian survive. And more farmers need to take part in the Ministry of Agriculture's Environmentally Sensitive Areas scheme, which pays them to use traditional farming methods.

Once scrub is cleared, the early gentian can reappear on downlands, as it has at Banstead Downs in Surrey, where volunteers from Plantlife, a wild-plant conservation charity, have been clearing shrubs.

The Government has proposed that seven sites across southern England where the early gentian flowers should become Special Areas for Conservation under the European Union's Habitats Directive.

The steering group estimates it would cost up to £23,000 a year to implement its proposals, with the money coming from government and voluntary bodies.

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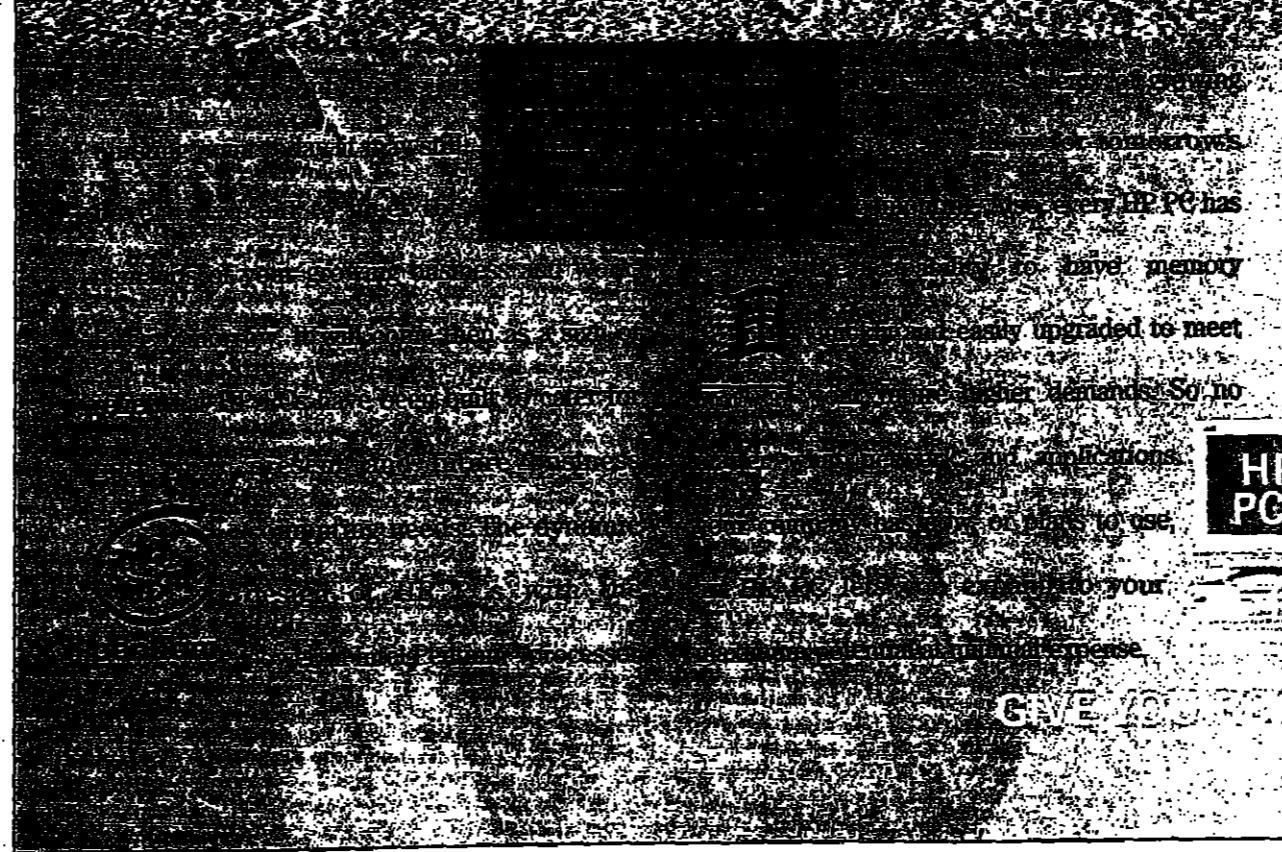
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Peking insists it is not starving orphans

Propaganda barrage follows new report on children killed by neglect in 'dying rooms'

TERESA POOLE
Shanghai

The Chinese government has launched a desperate propaganda exercise following publication at the weekend of evidence that thousands of babies and children have been dying every year in state-run urban orphanages. The dossier of evidence, taken from official Chinese publications and medical records kept at the main

orphanage in Shanghai, indicates that infants and children have been systematically starved to death and killed by international neglect in recent years.

The report will overshadow tomorrow's arrival in Peking of the Foreign Secretary, Malcolm Rifkind, on a visit billed as further restoring Sino-British ties before Hong Kong's transfer to China next year. China's human-rights record is now centre-stage again for any visiting diplomat.

Even before the orphanage study, the past few weeks had

seen a 14-year sentence passed on the dissident Wei Jingsheng and the disappearance of the six-year-old boy chosen by the Dalai Lama as Tibet's reincarnated Panchen Lama.

The orphans report, by the New York-based Human Rights Watch (HRW), includes national death figures and hundreds of cases of dead infants and children at the Shanghai Children's Welfare Institute, the city's main orphanage. It is backed up by photographs of dead and dying children.

The study is the most detailed evidence obtained of conditions in China's urban orphanages. Peking, apparently stung by the weight of material, has invited the foreign media today to inspect the Shanghai Children's Welfare Institute. The HRW report describes how the institute was revamped into a "Potemkin orphanage" for foreign visitors in 1993. Meanwhile, the official Xinhua News Agency yesterday started churning out statistics about improving child-vaccination levels, measles, and child nutrition.

The report makes stark reading, particularly as an official Chinese investigation launched in 1991 subsequently fell victim to a cover-up. Medical records and testimony presented by the HRW from the Shanghai orphanage show that deaths were "in many cases deliberate and cruel". The HRW describes the process as "an apparently systematic programme of child



Victim: Jian Xun, who was born in February 1981 and admitted to the Shanghai orphanage in 1988. He died in July 1992; the cause of his death was not given



elimination". Orphanage records indicate that from 1986 to 1992 more than 1,000 children died unnatural deaths at this one institution.

Typical was the case of Ba Jun, a baby admitted on 2 January 1992, aged one month and weighing 3.8kg. On arrival, records said, her general health was "quite satisfactory" but 11 days later she was described as suffering from "second-degree malnutrition".

By 18 January she had "third-degree malnutrition and bronchial pneumonia". By 4 February her limbs were "cold" and a doctor diagnosed the illness as "critical" after five prescriptions to administer antibiotics had been ignored by staff. However, the same physician added: "Had intended to administer oxygen therapy but valve of oxygen cylinder blocked, so did not proceed with treatment." Ba Jun died four days later.

Another baby was so hungry before she died "she was trying to chew flesh off her hand". In December 1991, 15 children died over four days after toddlers were tied to "potty chairs" and left out in freezing weather wearing thin cotton clothes. The HRW investigation was two-pronged. The detailed Shanghai picture is complemented by government statistics which present a gruesome picture of life and death in urban orphanages across the country as a whole. According to Ministry of Civil Affairs statistics, in

1989 a quarter of babies and children in the continuing care of the country's urban orphans died.

A breakdown by province indicates how numbers of inmates were kept stable over the course of a year because the number of deaths was enough to counterbalance new admissions.

This suggested "a deliberate policy of adjusting death-rates to maintain a constant population in each institution", said the HRW. Some orphanages operated as effective "death camps", the report alleged.

Analysis of evidence showed that in a majority of cases, death struck within a year of admission to an orphanage. The evidence indicates that the likelihood of survival beyond one year, for a newly admitted orphan in China's welfare institutions nationwide, was less than 50 per cent in 1989.

Mr Zhang confirmed that within the Shanghai orphanage the population was kept static by a deliberate process called "summary resolution". The HRW said: "Once selected, the children would reportedly be

denied virtually all food and medical care and would sometimes even be given no water."

When critically weakened, the child would be moved to the "waiting-for-death room". Death normally followed within a week.

Today's media tour of Dr Zhang's former workplace is set to be a propaganda own goal for Peking, however, as the HRW report makes it clear that in mid-1993 the Shanghai Children's Welfare Institute was "sanitised" to create a showcase institution to attract foreign donations and overseas adoption parents.

Since 1993, it is the No 2 Social Welfare Institute, which is situated on Chongming Island, two hours by car and boat from the city centre, which has taken over as a "virtual dumping ground for abandoned infants delivered to the orphanage". That institution is not on today's itinerary.

Government officials will be pressed today on how a high-level cover-up blocked attempts by Dr Zhang and other staff to curb the death-toll. In December 1991 the Shanghai Bureau of Supervision sent in an

investigative team which remained at the orphanage for eight months. During the same time, 16 members of Shanghai's People's Congress did their own investigation. Both teams confirmed the allegations of Dr Zhang and her colleagues. But after intervention by party officials, almost all critical staff had been dismissed or forced from their jobs by 1993 and all but one of the congress members were prevented from standing for second terms in office. Wu Bangguo, then head

of the Shanghai Civil Affairs Bureau, despite disclosures that he had a personal bank account holding £53,000 in foreign currency, most of it foreign donations and adoption fees.

Deaths in China's urban orphanages

	Inmates at start of 1989	Admitted during 89	Departed during 89	Died during 89	Inmates at end of 89	% of 1989
China	5,539	3,210	1,233	1,857	5,659	21
China's six worst provinces						
Henan	23	72	4	56	25	69
Guangdong	21	43	5	39	20	61
Shaanxi	128	232	19	210	129	59
Fujian	81	109	6	109	75	57
Zhejiang	451	528	206	284	489	29
Hubei	314	466	269	184	327	24

Source: Ministry of Civil Affairs

Rifkind resolves to keep China visit on course

STEPHEN VINES
Hong Kong
STEVE CRAWSHAW
London

Malcolm Rifkind, the Foreign Secretary, is making a determined effort not to have his visit to China overshadowed by Peking's fury over Channel 4's screening tomorrow, the day he arrives in the Chinese capital, of a chilling programme documenting the abuse of children in China's orphanages.

However, a Foreign Office spokesman travelling with Mr Rifkind made it clear in Hong Kong last night that Britain would have no truck with any attempt to prevent the screening

of the programme. He insisted that this was "entirely a matter for Channel 4" and believed that "there was no reason to believe it would affect the nature or effect of any of the meetings" the Foreign Secretary would hold in Peking.

Mr Rifkind's visit was conceived as part of the process of patching up differences over Hong Kong's return to Chinese sovereignty next year, on a cordial visit to Britain last October by Qian Qichen, the Chinese Foreign Minister.

However, human rights have been at the forefront of the problems in Sino-British relations and China has already indicated how it will respond to

attempts by Mr Rifkind to discuss this issue. At the weekend China's Foreign Ministry issued a blistering statement attacking the Human Rights Watch/Asia report on the orphanages, on which Channel 4's *Return to the Dying Rooms* draws.

This is the second time in 12 months that China's treatment of children in orphanages has come under attack, since the showing of Channel 4's first report. *The Dying Rooms*, the junior Foreign Office minister Baroness Chalker raised British concerns about the matter during her visit to Peking for the international women's conference last September. The Foreign Office says it is treating the new

allegations as "serious and worrying" and says they will be studied carefully.

Meanwhile the Hong Kong government, which has been explicitly told by China to remain silent about Chinese affairs, issued its own statement on the Dying Rooms yesterday, saying that because the colony has "a caring society, people are naturally shocked by allegations of this nature". It added that the findings "clearly need to be investigated thoroughly and, if substantiated, steps taken to end such abuses".

Channel 4 yesterday made it clear it had no intention of backing down in the face of Chinese protests. The Chinese embassy

wrote complaining about the film, and warning of damage to Britain's relations with China if it was screened. Channel 4 said yesterday: "There's no question. The screening will go ahead."

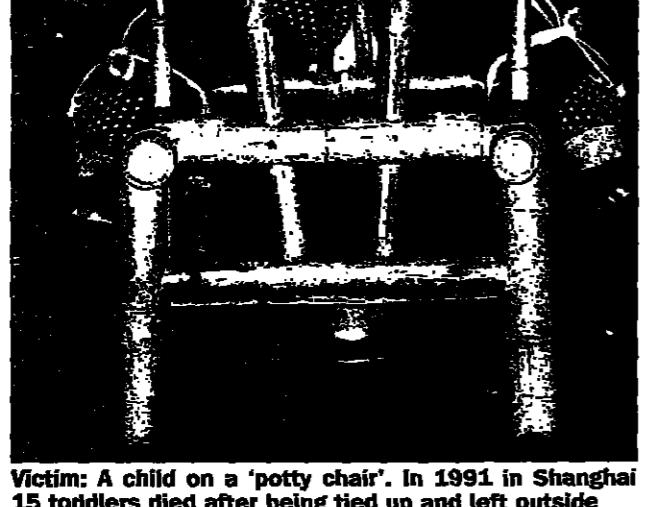
Foreign Office officials insisted they had not been approached over the issue: "It's not for the Government to become involved. We don't have a view. We wouldn't consider intervening."

Political pressure would certainly backfire. "If the Foreign Office rang up to complain about the potential damage to Sino-British relations, we'd send them away with a flea in their ear," a Channel 4 spokesman claimed yesterday.

Britain is treading a delicate path on the orphange affair. It claims to emphasise the importance of human rights in China. But it does not wish to anger the Chinese and lose valuable contracts.

Liu Jianchao, press spokesman for the Chinese embassy, said he had "no comment" on whether there would be an approach to the Government. But he insisted that showing the film

would "harm the mutual understanding between the Chinese and British people". *The Dying Rooms* had, he said, given a "distorted picture". Showing the latest film would "harm the atmosphere" between the two countries.



Victim: A child on a 'potty chair'. In 1991 in Shanghai 15 toddlers died after being tied up and left outside

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Nato attack on Gaddafi blamed for air disaster

ANDREW GUMBLE
Rome

After 15 years of lies, cover-ups and mysterious suicides, an answer might be close at hand to one of the most enduring ridics of post-war Italy: the cause of the destruction of an Italian airline over the island of Sicily, in June 1980.

According to documents seized from the retired head of the counter-espionage service, it seems the DC-9 was caught in the wrong place during an attempt by Nato fighters to blast Colonel Muammar Gaddafi out of the skies with a missile.

The papers sequestered by the judiciary from Demetrio Cogliandro detail how French and US jets launched an operation to kill the Libyan leader but panicked when they were

counter-attacked by escorting MiGs. When the civilian airliner came into range, a French Mirage fired without first checking its identity, killing all 81 people on board.

It is not the first time the possibility of a missile attack has been raised but never has such detailed information leaked from such a highly-placed source.

General Cogliandro's dossier describes how one of the MiGs was also shot down and how five US P-3 Orions vainly scoured the wild terrain of Calabria to trace its fuselage. He describes disinformation spread about the MiG once it was found three weeks later and pressure applied on doctors who examined the pilot's body.

He also names the prime minister of the time, Francesco Cossiga, as being responsible for

concealing the truth for so long. Mr Cossiga, who was later president, has never given a full account of the affair, claiming only that he was "shifted" somewhere along the line.

An investigating magistrate, Rosario Priore, says he is taking the dossier seriously, as it seems to have been prepared for formal distribution, perhaps as a memo to the head of Italy's secret-service agency. But it is unclear who General Cogliandro's sources were, why he compiled his report and why it took so long to surface.

So reticent did the general prove in interrogation before the discovery of his papers that he has been investigated for alleged obstruction of justice.

For some of Mr Cossiga's most faithful supporters, that has been enough to discredit the



Gaddafi: Nato jets tried to ambush him, says dossier

missile theory and suggest, as they have for several years, that the DC-9 was blown up by a terrorist bomb.

The parliamentary commission dealing with Italy's many high-profile disasters is unlikely to kiss off the evidence quite so quickly and is expected to summon Mr Cossiga for questioning. France and the US never commented on the affair, while Colonel Gaddafi has been as equivocal as ever.

Taiwan scores new US diplomatic coup

Shanghai — Taiwan notched up another success in "transit diplomacy" at the weekend when the US announced the island's Vice-President, Li Yuan-zu, would be allowed to stopovers in Los Angeles later this month, despite earlier intimations from Peking that this could harm Sino-US relations.

China's Ministry of Foreign Affairs yesterday refused to comment on Washington's decision, but the transit visas for Mr Li are certain to provoke a hostile reaction towards both Taipei and Washington. Last June, a week-long visit to the US by the Taiwanese President, Lee Teng-hui, plunged Sino-US relations to their lowest point in years.

Mr Li's plane will be allowed to stop in Los Angeles on 11 January and 16

January as he travels to and from Guatemala for the inauguration of the new president there. Although such transit visas have been permitted since 1994 under President Bill Clinton's Taiwan policy, this month's stopovers come at a sensitive time. It was only towards the end of last year that Sino-US relations returned to an even keel, and Mr Li's passage will have added propaganda value in Taiwan ahead of March's first fully democratic presidential elections.

The Foreign Ministry spokesman in Taipei, Rock Leng, accused Peking of "over-reacting" to such stopovers. "Communist China's strong reaction to this matter is really incomprehensible. It is a simple stopover for Vice-President Li and there will be no public activity," he said.

Fears for peace deal as Mostar tensions mount

EMMA DALY
Mostar

Mostar's "top man" — or so he was introduced by the chat-show host before his television interview on Friday night — was unyielding, dressed all in black and uttering dark threats. "This will be Croatia," Mladen Misic boasted. "There will be a war if necessary."

Another war, Mr Misic, commander of Bosnian Croat militia in Mostar, should have said. Language like this and, more important, the string of shootings in the past week have pricked the uneasy peace reigning in Mostar since March 1994 and raised tensions to the most

dangerous levels since the European Union began to administer the city 18 months ago.

Two people have been killed and two more seriously wounded since New Year's Eve, when tensions in the divided city of Mostar surged dangerously with the fatal shooting by Bosnian Croat police of a Muslim youth who ran into a road-block on the western — Croat — side of town. Four days later, two Bosnian policemen driving to work along the Bulevar, a wide, ravaged street that marks the front line, were hit by a hail of bullets fired from the west side.

"A lot of people are scared — I also feel something of a war atmosphere," said Faruk Kejzaz,

a journalist at Radio Mostar, on the shattered government-held east bank of the swollen Neretva River. "Many don't want to talk about it — it's a very fizzy situation."

Yesterday, some 500 Croats huddled through driving rain for the funeral of Sejko Luka, a German appointed by the EU to oversee the reunification of Mostar. He paused. "The feeling may be otherwise." His task is to fulfill the requirements of the Dayton agreement that pertain to Mostar: the creation of a new city statute, freedom of movement across the city for all by 21 January.

But he knows that while senior Bosnian Croat officials signed the Dayton deal, they also seek to rewrite it. "The real problem is they have to give up Herzeg-Bosna" (the self-styled Croat statelet in western Bosnia) on 21 January," he said.

He added: "The discussion about the unification of the police in Mostar stopped on 30 December."

The young man who was killed on New Year's Eve, named only as Alen, was 17 and therefore of military age. He crossed into

Clinton and Congress at odds despite budget deal

JOHN CARLIN

Washington

President Bill Clinton has given the Republicans the minimum they sought in budget negotiations and in exchange secured from Congress the funds necessary to end the longest government shutdown in United States history.

But the fundamental differences between the two sides on budget priorities remains as wide as ever.

In a tactical concession, Mr Clinton submitted a proposal late on Saturday night for balancing the budget within seven years. For the past year he had contended that such a plan was not feasible but now, eager to end a partial government shutdown that had lasted since 16 December, he has relented.

After Mr Clinton had set his budget-balancing document on the table, Congress, both houses of which are dominated by the Republicans, submitted the legislation required to reopen government and the President signed it.

"This plan will show that you can balance the budget in seven years and protect Medicare, Medicaid, education and the environment, and provide tax relief to working families," Mr Clinton said. "This is a time of great national promise. We need to find unity and common ground."

The Republicans took a somewhat different view. According to a Republican source who was privy to negotiations at the White House on Saturday, Newt Gingrich, the Speaker of the House of Representatives, told the President: "If this is where you are, we're so far apart we'd better start thinking about how we can call this off."

Tom Delay, one of Mr Gingrich's more zealous congressional cohorts, accused the President yesterday on NBC Television's *Meet the Press* of not negotiating in good faith.

The good news is that the

President has come up with a balanced budget proposal," Mr Delay said. "The bad news is that it's the same old tax-and-spend philosophy that's been going on for 30 years."

The Republicans' frustration arises from the realisation that they will find it very difficult to bring about their much-trumpeted "revolution". Mr Delay again used the word yesterday – in the face of stiff presidential opposition. The revolution essentially entails dramatically cutting the size of "big government", in particular by destroying the "liberal" (some Republican congressmen call it the "socialist") "welfare state".

The other part of the revolutionary equation entails restoring power to the individual, which translated means cutting taxes.

Mr Clinton's budget-balancing proposal on Saturday showed that he remains resolved to withstand the Republican siege. So successfully is he doing this that the *New York Times* said in a front-page article on Saturday that the Republicans "seemed for the first time to be in retreat, much in the manner of Napoleon's ill-fated assault on Moscow".

What the President managed to do, while caving in on the demand that he come up with a seven-year balanced budget document, was to submit a plan whose numbers appear, on present projections, to work but which aims to reach its destination by a route substantially different from the one the Republicans would like to take.

Overall, Mr Clinton would spend \$400bn (about £260bn) more than the Republicans over the next seven years. He intends to cut far less on welfare, notably on health care for the elderly (Medicare), than the Republicans wish. And on taxes the President means to offer relief to families earning under \$75,000 a year, but deny cuts to the wealthier Americans the Republicans seek to reward.

Free Louvre puts public in the frame



State of the art: Visitors queue to take advantage of free admission to the Louvre in Paris on the first Sunday of each month. Photograph: AP

Police in dock after carnival of crime

MARY DEJEVSKY

Between 1985 and 1990 Lyons and surrounding areas in central France were terrorised by a gang of armed robbers who wore carnival-mask disguises and killed in cold blood.

Today, more than five years after the gang's last stand, the 14 men believed to be responsible go on trial in the city.

The most remarkable feature of the case is not its scale, however, nor even the bizarre detail of the masks, but the fact that five of those in the dock are former members of the Lyons police force, whose colleagues had long been blamed for failing to solve the wave of serious

crime in their precinct. The five were all assigned to a rundown area near the main railway station, where the police station chief was an acknowledged depressive and alcoholic (he subsequently committed suicide), and officers whiled away the hours drinking whisky and playing poker.

In those five years the area's crime rate rose by almost 70 per cent, the number of charges laid fell by more than a third and Lyons' district III became a standing joke in the force.

The lawyer for one of the accused said there was "a total loss of discipline". Jean Giovannetti, 49, regarded as the "brains" of the gang, is described as a figure of considerable charm and

a natural leader. A one-time medical student and successful hotel manager, he is said to have been bored and increasingly unhappy with the difference between his own police lifestyle and that of the criminals he – occasionally – questioned.

The "hard man" of the gang is said to have been Michel Lemercier, 45, who was allegedly known already for taking bribes to release petty offenders. Temptation is reported to have been put in their way by a petty criminal who told them that bars which doubled as betting offices had no additional security and robbing them was "a piece of cake".

From bar/betting offices, the

gang graduated to supermarkets, then to banks. They committed their first murder shooting a bar customer who tried to intervene. In January 1989 they shot two security guards in the car park of a supermarket.

One of Giovannetti's police tasks was to control the progress of investigations. The case was solved by what seemed pure chance. In November of 1990, police on a routine inspection caught a garage mechanic fixing a false number-plate to a stolen car. The garage was put under surveillance and the (regular) police learnt of a building society raid being planned for 12 November 1990. The robbers were caught red-handed.

Although these events are more than five years old, the trial turns the spotlight on the state of the French police at an awkward time. Memories are fresh of the in-fighting and bungling associated with the anti-terrorist investigation over the summer and the televised shooting – coincidentally also near Lyons – of the Algerian-born terrorist suspect Khaled Kelkal.

This may be the reason why the slapstick "cops and robbers" aspect of the Lyons case has been consistently overlaid in recent French reports with a mixture of embarrassed shame and deep moral outrage. The guilt of the five policemen is not being doubted; what fascinates now is why they did it.

Crisis nears as Kohl's coalition allies sink in a sea of acrimony

IMRE KARACS

Bonn

The rare prospect of a German government crisis moved a step closer yesterday, with a senior minister warning that early elections might have to be held if Helmut Kohl's liberal coalition partners continued their slide towards oblivion.

Polls predict that the Free Democrats (FDP) face annihilation in three regional elections which are due in March, leaving them represented in just one of 16 Land assemblies.

If that happened, the party, which has been in government since 1969, first with the Social Democrats and then with Mr Kohl's Christian Democrats (CDU), would feel obliged to pull out of the coalition.

Until now, the conservatives said that in such an event they would try to stay in power as a minority government. But yesterday Theo Waigel, the Finance Minister, said he would urge his members to press for early polls. Mr Waigel heads the

Christian Social Union, the CDU's sister party in Bavaria, which forms a united parliamentary bloc with Mr Kohl's MPs in the Bundestag.

Mr Waigel's warning came as the Free Democrats tried to re-launch their party at a traditionally good-humoured conference in Stuttgart at the weekend. But beneath the veneer of bonhomie Germans have come to expect from the party of the educated middle class, the rivalries and ideological battles of recent months were much in evidence.

Sabine Leutheusser-Schnarrenberger, who resigned before Christmas as justice minister because of the party's new-found obsession with Thatcherite economics at the expense of age-old liberalianism, again tried to thwart the rightward drift. "Any attempt to win votes for the FDP purely in the conservative and right-wing camp by concentrating on tax and economic policy is a zero-sum game, which would bring the coalition no more votes,"



Waigel: Wants early poll if liberals quit Bonn coalition

she said on the eve of the conference. "The FDP must be an independent liberal political force and should also portray itself as such."

But Wolfgang Gerhardt, the party chairman, reiterated that tax cuts and reduced government spending would remain the FDP's priority. "As long as many people want ... to commit the state to create work, housing and a good living and

provide a guaranteed market and subsidies in the economic area, the community cannot be truly free or successful."

Mr Gerhardt is at odds with leading figures of his party. Last month he tried to force out Günter Rexrodt, the Economics Minister and an FDP colleague, in a transparent attempt to take his place in the government. In his determination to curry favour with Mr Kohl, Mr Gerhardt has also provoked the ire of Klaus Kinkel, the Foreign Minister, who continues to stress an independent role for the FDP in the coalition.

The internal clashes and electoral disasters in the past two years have left the Free Democrats' credibility in tatters, creating a climate in which a vote for them is seen as a vote wasted.

A poll last week indicated that more than 60 per cent of Germans thought the Free Democrats were unimportant, a damning verdict for a party that provides three senior members of the government.

Rao the survivor settles for an April general election

TIM MCGIRK

New Delhi

India will hold general elections in April, according to the Prime Minister, Narasimha Rao, who is likely to lead his ruling Congress party into what promises to be a fierce and closely-fought campaign.

Even within Congress few had expected Mr Rao – a compromise candidate chosen hastily by a grief-stricken party after the 1991 assassination of Rajiv Gandhi – to complete his five-year term, let alone run for a second one. Often lampooned as dull, indecisive and aloof, Mr Rao, 72, nevertheless is likely to emerge as the party's next leader.

The prospect of having Mr Rao champion the Congress's bid for re-election fills many of his party hopefuls with gloom. Pitted against the Congress in the elections will be the formidable forces of the Hindu

nationalists, the maverick regional parties, the leftists and those groups representing the lower castes in India's social hierarchy.

If elections were held tomorrow, opinion polls show, Congress might easily lose. Mr Rao's economic reforms have failed to trickle down fast enough to the masses, and some experts warn that many of these reforms may be derailed by Mr Rao's attempts to win votes by pushing through new government subsidies and populist measures. No dates in April have yet been fixed for the elections, a bureaucratic exercise of such staggering proportions that it is usually spaced out over several days.

The Congress party, which has dominated Indian politics since independence in 1947, may have no choice but to stick with the lacklustre Mr Rao and hope that their opponents self-

destruct. A slight chance exists that this may indeed happen. The main party which tried to rally the lower-caste Hindus, the Bahujan Samaj Party, flopped when given the chance to govern Uttar Pradesh state, India's most populous, with more than 120 million people. With the failure of the lower-caste party, Congress is trying to co-opt India's poor and down-trodden as well as the country's Muslims, alarmed by the rise of Hindu militancy.

Until several months ago, the main opposition group, the Hindu nationalist Bharatiya Janata Party (BJP), seemed ready to steamroll Mr Rao. But the BJP, which prided itself on its discipline and honesty, has lately had its image tarnished by messy feuds in Gujarat and other states. The BJP's system of having three party chiefs instead of one has also led to unseemly wrangles, but these may be sorted out now that one of



Narasimha Rao: Surprised critics by lasting first term

the trio, Atal Behari Vajpayee, has been selected as the BJP's candidate for prime minister.

Within the Congress party, Mr Rao has fixed it so that no contenders challenge him. Those who tried to defy him, such as Arjun Singh, the former minister for human resources, have been expelled. But Mr Rao may have gained his political survival at a high price: aloof, he has neglected the party small-timers in villages and towns. Without their support, Mr Rao cannot hope to win.

Freeze mocks America's leaders

JOHN CARLIN

Washington

The politicians who run the world's most powerful country learnt the humbling lesson yesterday that hard as they strive to shape the course of humanity they cannot restrain the whims of Mother Nature.

As if to underline the colossal presumption of the attempt to balance the US national account in seven years, presupposing as that does an ability to anticipate what will happen to the world's economy between now and the end of 2002. President Bill Clinton and Republican leaders were forced to call off planned budget negotiations yesterday because of bad weather.

What was more, Democrat and Republican leaders having agreed on Saturday night to reopen the government after three weeks of virtual paralysis, the heaviest snowfall in Washington in years looked certain to prevent the vast majority of government employees from going back to work today.

The National Weather Service said yesterday that the snowstorm, which struck Washington on Saturday evening, was of "historic proportions". If predictions were correct that the snow would continue to fall through the night until this morning, the blizzard looked likely to break all records for this century. With snow coming down at an average of one inch (2.5cm) an hour, central Washington was covered with a foot and half of snow by yesterday afternoon. Three feet might have fallen by the time Washingtonians get out of bed today, the experts said, exceeding the record for that century, set in 1922, of 28ins (71cm).

The initial impact of the snow, which fell without respite all day yesterday, was felt most acutely among people who had entertained notions of travel – even to the local supermarket. Save for the occasional snowplough, four-wheel drive vehicle and determined driver, the roads of Washington were empty – though some people were spotted advancing down the middle of suburban streets on skis.

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Get your skates on: Thousands enjoy an ice party on the frozen Alster Lake in Hamburg, Germany, for the first time in five years. The revels, Photograph: Michael Probst

Shaken Hamas urged to avenge bomber's death

PATRICK COCKBURN
Gaza

The landlady of Yabha Ayyash,

the Hamas bomber blown up in her house by a booby-trapped mobile phone last Friday, has a quick way with reporters' notebooks: she rips them up. Everything we wanted to know about how Ayyash died would be "revealed in a leaflet tomorrow". The one point she wanted to make, she said, as she tore up another page of notes, was that her son Osama, Hamad "had nothing to do with it".

Mrs Hamad has reason to feel nervous. It was in her house, a three-storey building walled off from the street in Beit Lahiya refugee camp in the north of the Gaza strip, that Ayyash, the mastermind of the suicide bombing campaign against Israel, had sought refuge in the days before he died. Israeli television reported that Osama

Hamad had given the phone to Ayyash, while Palestinians said it was Mrs Hamad's brother Kamal, a local building contractor. In either case nobody doubted that Israeli security was behind the assassination.

Our initial reception at Mrs Hamad's house, undamaged by the 3oz bomb, was friendly. A man who refused to reveal his name said the small explosion did not make much noise "but neighbours thought they heard something and called the police". But Mrs Hamad interrupted him to say: "We have orders not to say anything." We asked who had given the orders. "You don't even have the right to ask that," she said, as she made a grab for the nearest notebook.

In Israel the Shin Bet security agency could barely contain its delight. It badly needed a success to divert people's minds from its failure to protect Yitzhak Rabin, assassinated on 4 November. The Israeli papers ran a quote from Leah Rabin saying she wished her husband was alive to learn that Yabha Ayyash had been killed. But the jubilation may be short-lived. Hamas, the Islamic militant organisation to which Ayyash belonged, probably cannot afford to respond passively to the death of its best known hero.

Earlier, at the Martyrs Cemetery a few miles from Beit Lahiya, the 100,000 men who tramped through the mud behind a truck carrying Ayyash's coffin appeared to leave no doubt. "We want buses, we want cars," they chanted, referring to suicide bomb attacks by Hamas and Islamic Jihad against Israeli buses and other vehicles. Another slogan was "Prepare your coffin Peres: the ghost of Ayyash will haunt you."

This should not be taken too literally. Hamas suspended its suicide bombing campaign in mid-summer because of its growing unpopularity. It had led to repeated border closures. Earlier, at the Martyrs Cemetery a few miles from Beit Lahiya, the 100,000 men who tramped through the mud behind a truck carrying Ayyash's coffin appeared to leave no doubt. "We want buses, we want cars," they chanted, referring to suicide bomb attacks by Hamas and Islamic Jihad against Israeli buses and other vehicles. Another slogan was "Prepare your coffin Peres: the ghost of Ayyash will haunt you."

This should not be taken too literally. Hamas suspended its

preventing tens of thousands of Palestinians working in Israel. It was also seen by Palestinians as delaying agreement on the Israeli withdrawal from six West Bank towns and the implementation of the second stage of the Oslo agreement.

Dr Mahmoud Zahar, the senior Hamas leader in Gaza, told the *Independent* at the end of the Ayyash funeral: "Now people will understand why we retaliate. The Israelis will not stop killing Palestinians in Gaza unless it costs them a high price. He said he had no direct knowledge of the plans of the military wing of Hamas: "But our people in the military field will answer - I don't know when or how."

Dr Zahar was careful not to repeat claims made by Hamas immediately after the death of Ayyash, accusing the Palestinian Authority of Yasser Arafat, the PLO chairman, of collaborating with those who killed him. On the contrary the Hamas leader said that Mr Arafat had just paid him a condolence call, and Ghazi Jabali, the police chief in Gaza city, had joined the funeral march.

Mr Arafat called the killing a violation of the peace. "We have made the peace of the brave. We are committed to it," he said. "We ask the other side not to violate this peace, to enter Palestinian territory in Gaza and kill and assassinate the struggle, the martyrs. Yabha Ayyash."

Hamas could bide its time until after the Palestinian elections on 20 January. The ability of the Shin Bet to find and kill Ayyash will make the militants worry about how far they have been penetrated by Israeli agents.

Dr Zahar says: "We will ask the Palestine Authority for weapons to defend ourselves."

But Hamas has always contrasted its own success in retaliating against Israel with the failure of the PLO to do so. The death of Ayyash may produce more rather than fewer bombs.

IN BRIEF

Seven die in Karachi bus blast

Karachi — A bomb ripped through a bus in Pakistan's southern port city of Karachi yesterday, killing at least seven people and wounding 35, police said. The death toll could increase. One ambulance worker said the explosion took place before sunset, when commuters were returning home from work. Ambulances took the dead and injured to hospitals as volunteers removed the wounded from the debris. At least 25 people were in a critical condition in hospital. Police have not named any suspects. Ethnic and sectarian violence in Karachi killed more than 1,800 people last year.

Japan awaits new PM

Tokyo — The ruling coalition agreed on a new policy platform, paving the way for the Trade Minister, Ryutaro Hashimoto (right), to be named Prime Minister this week. The deal ended two days of talks after the announcement by Tomiichi Murayama on Friday that he was stepping down in favour of a new government to be headed by Mr Hashimoto.



Reuter

Fighting surges in Chechnya

Moscow — Fighting in Chechnya left 27 separatists dead, the Russians said. The 13-month war in the republic appeared to be worsening after months of mostly sporadic clashes.

AP

Okinawans killed by US Marine's car

Tokyo — A car driven by a US Marine mounted a pavement and killed three locals on their way home from church in Okinawa. Sentiment against US bases has been running high on the island following the rape of a 12-year-old schoolgirl in September. Okinawan police identified the dead as a 36-year-old Philippines-born Japanese, Rojita Kimjo, and her daughters, Mitsuiko, 10, and Mariko, 1.

AP

Haiti asks peace-keepers to stay

Port-au-Prince — Haiti's president-elect, René Préval, has asked the United Nations to extend its military peace-keeping mission by six months. The 6,000-member mission is scheduled to pull out by 29 February but many Haitians fear a resurgence in violence and crime when the peace-keepers leave.

AP

Guerrilla suspected of tourist kidnap

San Jose — Costa Rican officials believe a former Nicaraguan guerrilla, Teodoro Amsor Perez, and his gang kidnapped a German and a Swiss woman missing since New Year's Day. Reuter

Clean sweep

Peshawar — Leaders of the rebel Taliban faction in southern Afghanistan said that unless men grew beards in line with strict Islamic practices, they would not be allowed to work except as street sweepers. Since entering the civil war in 1994, the Taliban have captured much of the southern half of the country.

AP

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ama
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essay

American advice for Tony Blair. JK Galbraith outlines his concept of the Good Society to Andrew Marr

Compassion comes before contentment

Professor Galbraith, why do you think people have lost faith in government? Is it because they are stupid, or greedy, or is it because some body has lied to them about government?

Well, I don't think the faith has been entirely lost. A very large number of people, very large sectors of the British and American population depend on government, one way or another. I covered these matters in *The Culture of Contentment* where I argued that we have now a large community of well-being which doesn't need the state, which has political voice, and that what we call public opinion is the opinion of what I called the culture of government.

You've talked, as you say, about the comfortable class, or the culture of contentment, but have you changed your mind at all about that in recent years? It seems to me there are a lot of people who are white-collar middle-class, who over the past few years have become increasingly uncomfortable. So I wonder how much that comfortable class, that great smug group in the middle, is breaking up?

I quite agree. There has been introduced into the culture of contentment an *insecurity*. One of the visible manifestations of that has been the paring off of corporate bloat, so that a lot of people have seen some diminution in their well-being.

In *The Culture of Contentment*, there was a certain distaste for the comfortable class, and I wonder whether it was fair entirely to equate people who have become, for whatever reason, sceptical about state action with people who are no longer feeling any sense of community with people who are poorer than they are. If you are sceptical about the state, are you necessarily on the wrong side of the argument?

John Kenneth Galbraith
born: 15 October 1908, in Ontario, Canada
career: economics professor, Harvard University, 1949-1975
US ambassador to India, 1961-1963
adviser to Adlai Stevenson and John F Kennedy
selected books:
American Capitalism (1952)
The Affluent Society (1968)
The New Industrial State (1967)
The Culture of Contentment (1992)

John Kenneth Galbraith has been the most prominent and distinguished liberal in the US for four decades. In the Fifties, his expression "private affluence and public squalor" was a catchphrase which summed up what had gone wrong with American capitalism, and his writings underpinned the economic policies of the Kennedy and Johnson presidencies.

Oh no, I don't think so. In the comfortable community, there is a large concerned body that does see the affirmative role of the state in everything from basic welfare to health care to education. I'm not suggesting that I'm the only comfortable person who has identified the responsibilities of well-being.

Turning to *The Good Society*, which is your book coming out later on this year, can you explain to me what it would feel like to live in the good society?

To summarise: everybody has a sense of personal security, a basic income, basic health care, basic protection against unemployment, and we have a tolerant attitude toward immigration. We see the enormous importance of education, not purely in technical terms but as a way of deepening the enjoyment of life. And going on to a sense of responsibility in the rich countries for what is happening in the poor countries.

To what extent does this involve a return to the principle of redistribution of wealth, which has drifted away, and about which the left has been very cautious in recent years, largely for electoral reasons?

I'm not cautious about that. I see an enormous increase in the United States of the well-being of the top 10 per cent, and particularly the top 1 per cent. At the same time there has been a diminution in income and wealth at the bottom of the scale. And I think we have to conclude that the modern market system (we use the words "market system" because capitalism has become politically incorrect), by its nature distributes income very badly, very unequally. And therefore progressive income tax is one of the great civilising influences of our time. And there's always the possibility that if one has my high marginal rates, people

work harder to maintain their after-tax income.

It has always been argued the other way round, that high marginal rates of tax stop people working hard.

I don't believe that for a moment. I think motivation is unaffected by progressive income tax. I think that motivation is inherent rather than externally compelled, particularly when you get above a certain level of income.

You recognise any danger that the top 1 per cent are effectively out of the clutches of government tax inspectors and collectors, that there is now a global ruling class, an élite who really can't be held off, who will simply move from one country if the marginal rates are too high and set up some where else?

Oh, we have some of that, there's no question. We have a small colony down in the

Caribbean of people who have given up their American citizenship in return for an escape from income tax. I don't think they're any great loss, and I don't worry about it very much. I don't think that we're going to have an international escape from taxation.

I'm unclear to what extent you think that the Keynesian state has died away, or been challenged. Or whether you think it's still here, but that it's been captured by the wrong people.

The greatest Keynesian of modern times was Ronald Reagan, who stimulated the economy through the Eighties by large government borrowing, large deficits, and strong expenditures based on defence. Keynes would not have recommended that, I think. But there's no doubt that the notion of government employment in recession and, then, restrictive government policy in good times has proven very difficult. I still urge it, but I no longer think that this is an easy solution.

Returning to the size of the state, one of the big arguments that you hear these days about the reasons why the state must shrink, both in terms of its share of national wealth, and in what it does, is that we're all now part of a global market, that we're facing above all the Asian tiger economies which don't have large welfare states and which have relied upon a more familiar structure of social support. Easternisation, as it's sometimes called, requires the West to cut back the size of its state and to carry on cutting back. Now is that just an excuse by people who used to be called the capitalist class?

This is an excuse. This is a justification for what they want to see happen in their favour. One of the curious things of our time is that the rich in the United States, and I think this is true also in Britain and Europe, do not want to defend themselves as rich. They want to have a larger moral case, and the idea

that Taiwan, Singapore, and China are threatening Western economies is a wonderful way of escaping from selfishness into something that seems on the whole vaguely plausible.

And you don't regard that Asian threat, so-called, as something that we need to be worried about?

I certainly do not. This is part of the larger process of economic development, and it is something to be welcomed. We must face the fact that certain industries will move to the newer countries, to the lower-cost countries.

Would I be right in saying that the pessimistic note at the end of *The Culture of Contentment* is something that you've changed your mind about, that you feel less pessimistic than you did then, and that you feel in some degree the tide of neo-liberal ideas which poured across the West so strongly in the Eighties and early Nineties is receding?

My value system is to hope and believe that it is possible for everybody to have a decent, happy, and generally rewarding existence. I've had it, and I would like to think that I was not peculiar in this respect. I would like to think that it was generally possible.

If you were called to become an adviser to Tony Blair, or Bill Clinton in his second term, what would you tell them now about how to get elected and how to behave after they've been elected to ensure that they didn't let down the people who'd elected them?

I would strongly urge a compassionate base to sustain well-being, so that people have, even though there is some abuse, a basic income, basic health care and that we have strong and concerned investment in education, not just for the productivity of education, but for the enjoyments that come from education.

Extracts from 'The Big Idea', to be shown on BBC2 on Wednesday, 10 January, at 11.15pm.

field was Secretary for the Colonies in the 1929 Labour government. Since then governments have drifted into clean-shaven uniformity. Perhaps one beard on every shortlist is the answer.

Oh, we have some of that, there's no question. We have a small colony down in the

replied the professor. "My own stratified sampling has indicated that perceived beardedness rises monotonically with the inverse of the senility coefficient. It is not so much that those who make love a good deal keep their good looks longest, but that those who stay young-looking get the most sex."

You'd never believe he was near retirement age.

Going west

Norfolk Museums Service had a particularly trendy plan to boost publicity for a new clothes exhibition. They invited fashion designer and former punk queen Vivienne Westwood to open it. "Her public role is at the cutting edge of the contemporary fashion industry," said Heather Guthrie of the Norfolk Museums Service. Unfortunately, the *Museums Journal* which recorded the opening of the exhibition for the rest of the museum world was not as conversant as Ms

Guthrie with the cutting edge of contemporary fashion. They captioned the picture of the opening: "Vivienne Westwood, one of the older visitors to Norwich Castle Museum's shawl exhibition."

"My colleagues and I were somewhat dismayed," said Ms Guthrie. "As a self-confessed supporter of our cause and one who has publicly nailed her colours to the mast, she surely deserves better."

Perhaps Ms Westwood should be diplomatically assured that while being old is bad news in the fashion industry, it is the *sine qua non* of museum life.

Got the look

Eagle Eye was intrigued to read the "lifestyle study" published last week by the Edinburgh neuropsychologists Dr David Weeks into 3,500 people who look younger than their age. After five years' research he concludes that frequent love-making may be a factor in postponing the symptoms of ageing. We put the matter to our sociological expert, who has just been elevated to the Ikea Chair of Comparative Lifestyles at the University of East Anglia.

"I suspect," he said, "that the Edinburgh research suffers from what we call a causality directional misattribution."

"What's that?" we asked.

"Cause and effect, dear boy."

replied the professor. "My own stratified sampling has indicated that perceived beardedness rises monotonically with the inverse of the senility coefficient. It is not so much that those who make love a good deal keep their good looks longest, but that those who stay young-looking get the most sex."

You're right! FOR THE NEW YEAR I RESOLVE TO SPEND MORE TIME IN THE REAL WORLD.

THIS IS THE REAL WORLD?

YEAH! I'M A HUMAN BEING IN THIS GAME, NOT A MUTANT SPACE SLUG FROM MARS.

Westwood, once a punk...

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Bigger than the battle of Newbury

The third battle of Newbury is about to commence. This time there are no roundheads or cavaliers in sight. The assailants are gathering in their bulldozers, while the besieged sit tight in their tree-houses and tunnels. Protagonists on both sides expect the fight over the proposed new by-pass to be fiercer and more expensive than the struggles over Twyford Down, or the M11 in Wanstead.

So is the new road really worth all the hassle? The costs include about £100m to build the road, and who knows how much to cover the security and delays that the protesters will cause. Far more difficult to quantify is the damage to the environment around the west of Newbury. Eight miles of new by-pass will plough through three Sites of Special Scientific Interest: Snelsmore Common, the river Kennet and the river Lambourn.

Yet the benefits will be significant. Everyone agrees the traffic in Newbury is a nightmare. Once the planned A34 bypass is built, lorries travelling from the Midlands to the south coast will be able to skirt Newbury in 10 minutes, rather than spending three-quarters of an hour plodding through the town. The savings for British businesses could be considerable. And local residents will benefit, too. Newbury Council estimates that local trade in the town centre has fallen as weary locals have given up fighting their way through congested streets. Sadly for the rivers Kennet and Lambourn, Newbury needs a by-pass.

However, on its own the by-pass will not solve the transport problems in the area. While through-travellers will find their journeys drastically improved, the

by-pass will do little to reduce pollution and congestion within the town. Most of the traffic is local – trips to the shops, to work or to collect the kids from school. It is true that articulated lorries will be off the streets, but local traffic might even increase once the lorries are out of the way. The car problem in Newbury requires additional action: new traffic management schemes, from one-way systems to expensive parking, from better public transport to local road pricing.

And there are wider implications, too. Friends of the Earth are absolutely right about one thing: new roads breed more traffic. Businesses that might previously have sent their goods by rail, because the Newbury route was too much bother, could switch their heavy loads to the new A34 instead – increasing the pollution and congestion for everyone else that the freight trains avoided. The best way to tackle this is to put a toll on the new road which reflects not only the financial costs of construction but also the environmental damage caused. Otherwise, the new road simply perpetuates the hidden subsidy to car and lorry drivers.

Road pricing which takes account of environmental damage is key to a sensible transport policy for the future. Otherwise we will go on jamming up existing roads, demanding new ones at immense cost to the countryside, and then filling them up, too. New road building can make sense where the existing infrastructure is making people's lives a misery, but only as part of a complete overhaul of transport policy in Britain. Otherwise it will not matter who wins the battle of Newbury this year, for we will all be losers in the long run.

Truly blue and deeply disunited

Could the Conservative Parliamentary Party really be set on "political suicide"? Michael Mates, the former Northern Ireland Security Minister, certainly seems to think so, writing in the *Mail on Sunday* yesterday. With speculation growing about other potential defectors from the Tory backbenches, John Major's call for an end to internal squabbles on BBC television's *Breakfast with Frost* yesterday rang hollow. Just six months after he called a leadership campaign supposedly to unite the party, the internal bickering between the left and right wings is as virulent as ever.

We should hardly be surprised at the squabbling among the true blues. The Conservatives have always been a broad church – a coalition of two conflicting sets of views. To the left of the aisle sit the one-nation paternalists, to the right the market-obsessed nationalists. Throughout the history of the party the two wings have argued, compromised and taken their turn at dominating the Government. The different wings ought to be able to engage in constructive debate without unleashing howls and laments about "damaging internal splits".

However, the troubles that plague the Tories at the moment reflect more than just a healthy political difference of opinion. Where the leadership appears strong and in control, policy disagreements among underlings can be healthy and constructive. But voters feel uneasy when the direction at the top seems to waver in the wind, battered first by one faction and then by another. It is even worse if the fights take place in election years. When

the factions appear far apart, people do not know what they are voting for. Who knows who will hold the reins of power inside the party in six months' time?

The second problem is that neither wing offers the electorate a persuasive alternative to Tony Blair. The right has plenty of ideas about cutting the welfare state and withdrawing from Europe, articulated most coherently by Norman Lamont in recent months. But its views are far from the centre of popular opinion and it lacks impressive leaders to carry it forwards.

The left of the party boasts a list of heavyweights including Michael Heseltine, Kenneth Clarke and, when he returns from Hong Kong, Chris Patten. These members are guilty of failing to offer a robust enough defence against some of the lunacies of the right. The new Macleod group within the party, aiming to present proposals from the centre-right, is a welcome corrective and should hasten the launch of its first pamphlet. But the biggest problem for the Tory wets is Mr Blair: anything they want to say, Mr Blair says better.

Mr Clarke is closer on most policy issues to Mr Blair than to Michael Portillo. Only their history and traditions keep them apart. Emma Nicholson and Alan Howarth finally decided they had more in common with other parties than with their own colleagues. The future of the Conservative Party – both at and after the next election – will turn on whether it still has more to unite it than to divide it. And also on whether its members have a leader behind whom they are prepared to unite.

Mr Howard's personal deportation order

The controversial decision to deport the Home Secretary, Michael Howard, has been stoutly defended by the Government.

Commentators say that the Government was very clever in slipping the announcement out over a weekend during which the British public seemed obsessed with the National Lottery to the exclusion of all else.

In fact, most of the British public still seems totally unaware that Mr Howard has been given seven days to leave the country and the press is playing it down for fear that the Government may change its mind.

"His deportation has nothing to do with the fact that Michael Howard comes of immigrant stock," said a spokesman from a rejoicing Home Office. "There is, in fact, some little-known legislation under which we could have deported Michael Howard, on the grounds that the original decision to admit his forefathers was obviously, in retrospect, a faulty one. But we did not want to make a martyr out of Mr Howard. We did not want him to be seen as a victim of the same repressive policies that he has been so vigorously promoting all these years."

"Nor did we want to embarrass people like Amnesty, who might sud-



MILES KINGTON

denly find themselves in the position of defending a man like Michael Howard as a victim of racism or ethnic oppression. It simply wouldn't have been fair on Amnesty."

"No, this decision to deport Mr Howard is a straightforward business decision. Just as the Government wishes to keep on good terms with the Saudi regime and is prepared to deport Saudi dissidents to do so, so the Conservative Party wishes to keep on good terms with the British electorate and to be re-elected for another profitable, highly lucrative term in office. Our market research has shown that there are certain persons in office who are perceived to be an electoral liability. John Selwyn Gummer is one, and Virginia Bottomley is another."

"Now, not only is Mr Howard wrong about prison working – all the evidence suggests that prisons brutalise without reforming, thus creating more, not fewer, criminals – but building prisons costs a lot of money. So having this penal maniac in charge

from circulation and I think you will find by the time of the next election that they are no longer legal tender, as it were. But Michael Howard is the name that keeps coming up in our private polls as most detrimental to Tory hopes, and so it makes sense to get him out of the way before he does any more damage."

"But surely you can't deport a man simply to improve your election hopes?"

"Of course not. There are sound business and commercial reasons as well."

"Such as?"

"Well, you may from time to time have switched on your television set during the Conservative Party conference ..."

"Now, if you had, you would have come across the unedifying sight of Mr Howard frothing over his spectacles and shouting 'Prison works! Prison works!' and promising wildly to build many more prisons to house our criminals."

"Now, not only is Mr Howard wrong about prison working – all the evidence suggests that prisons brutalise without reforming, thus creating more, not fewer, criminals – but building prisons costs a lot of money. So having this penal maniac in charge

of the Home Office is proving ruinously expensive for the country. Therefore, getting rid of him will save us a lot of money."

"Already we have the highest per capita prison population in Britain. Mr Howard is, blindingly, bankrupting the country for his own cranky ideas. We cannot afford not to deport him, especially now he has decided to waste further money on prosecuting

dyng Nazi war criminals."

"Nor is that all. As Mr Howard refuses to take the blame or responsibility for anything, we are constantly finding that the people in charge of prisons are being fired by him as scapegoats or are resigning because they find him impossible to work with."

"They say he is a knee-jerk politician and forms policy by knee-jerk reaction to tabloid headlines."

"Is that fair? Would the spokesman agree with the 'knee-jerk' accusation for example?"

"Well, not entirely. Knee, no. Jerk, perhaps."

"And how will Michael Howard be spending his last seven days in Britain?"

"He will be looking for a country to which to accept him. Now, this could well become a full-time occupation ..."

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What's in a name?

From Miss Mary Dalton

Sir: Marys and Margarets are not dull people as Mary Braid's advice ("Dear Paula Yates", 2 January) to Paula Yates implied. I do not have a dull life and I am sure that a name cannot determine the character of someone. I am not going to be a librarian – I would like to be a vet or a scientist. I have no wish to have blonde or red hair – I like my own.

Marys and Margarets can also be famous. I am sure that Baroness Thatcher would agree with me.

Yours faithfully,
MARY DALTON (aged 11)
Datchet, Berkshire

2 January

Chaos close to home

From Mr John Coe

Sir: In his article "Europe awaits Italy's big aria" (3 January) Andrew Gumbel uses phrases such as "public finances so chaotic ...", "deep institutional crisis", "country in such domestic turmoil" to describe the state of Italy. Last May, on holiday in Italy, I obtained £2700 to the pound. Today's interest rate is £2400 – a drop of about 11 per cent. What does this say about the state of our country? Yours sincerely,
JOHN COE
Westcliff-on-Sea, Essex

Design credits

From Mr Dominick Reynhens

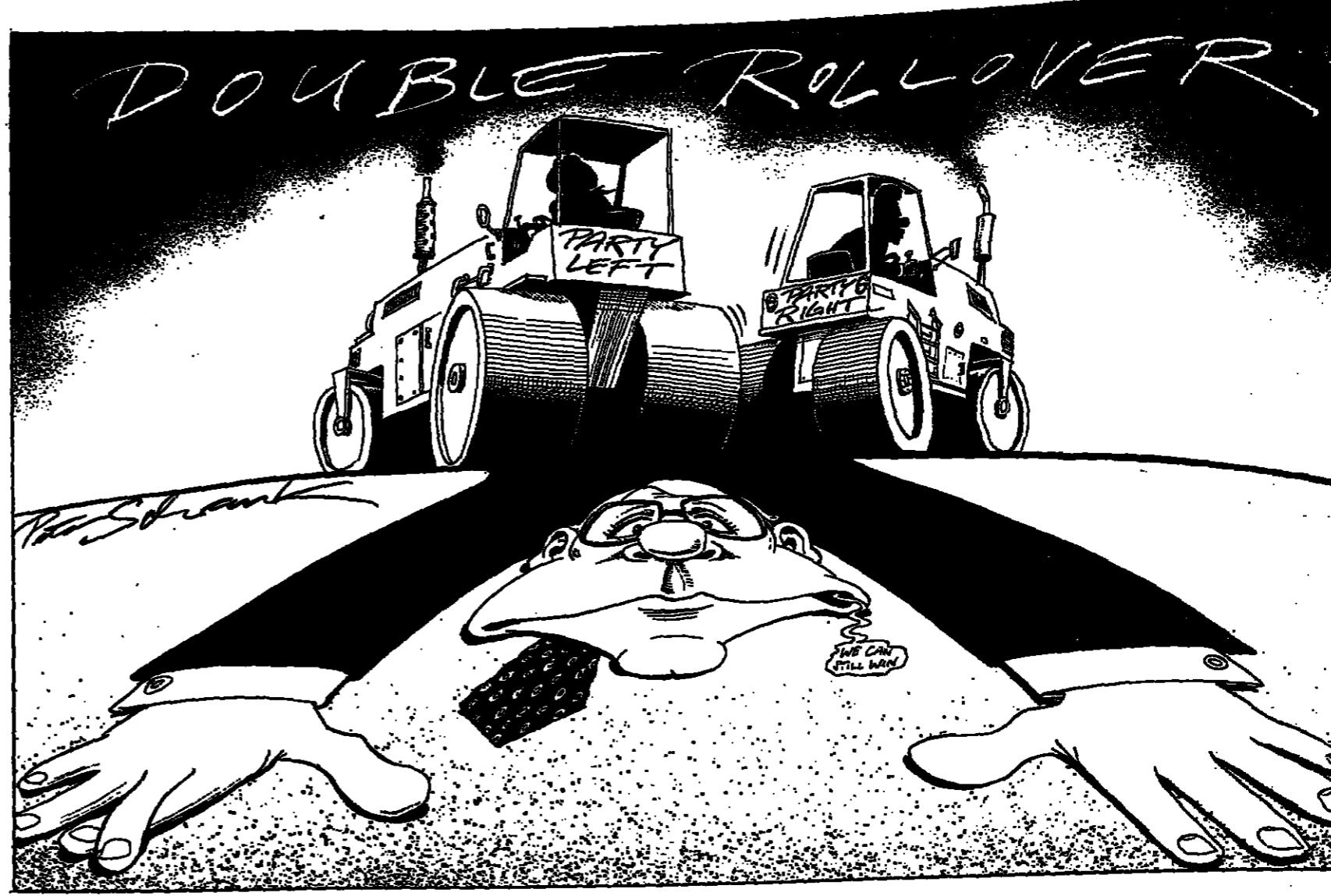
Sir: While I welcome June Osborne's letter (6 January) putting the record straight on who actually made the "Piper window" in Ifley, may I be so bold as to remove some final kinks.

My father, Patrick Reynhens, learnt his craft from Joseph Nutgens's father, E. J. Nutgens, the famous glass painter. In later years, my father taught the craft to David Wasley and employed both him and Joseph Nutgens in his studio, where they frequently worked on Piper windows. The final tally on the realisation of Piper windows is Patrick Reynhens in the region of 50, David Wasley, three, and Joseph Nutgens, one.

In the contract of Liverpool Cathedral, my father is credited as co-designer with John Piper.

Yours faithfully,
DOMINICK REYNHENS
Winchester, Hampshire

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax 0171-293 2056; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.



LETTERS TO THE EDITOR

Political asylum does not permit propaganda campaigns

From Mr J. A. Davis

Sir: Your extreme indignation at the proposed deportation of Mohammed al-Masari is, I suggest, misplaced (Leading article: "A stinking, rotten deal", 5 January). He is not being "sent into exile". He already is in exile. He is merely being required to change the place of his exile. Political asylum exists merely to provide a safe haven for those who might otherwise suffer persecution for their views. It does not exist to provide a secure base for those who wish to pursue propaganda campaigns against the lawful governments of countries with which we maintain friendly relations.

Mr al-Masari, while a guest here, was acting in ways which were contrary to our national interest in pursuing lawful trade with a friendly nation. He is being required to leave for abusing our hospitality. nothing more sinister than that.

Yours faithfully,

J.A. DAVIS
Bookham, Surrey

6 January

have as a priority those most in need of development overseas.

And yet, Mohammed al-Masari has been a guest in this country, and has used that position to attempt to subvert another country with which we have friendly relations, and which was an ally in a recent conflict. Although Dominica seems less urbanised than the UK, I would be surprised if Mr al-Masari was unable to find a tax machine there.

But now, by ordering the deportation of Mr Masari at the behest of Saudi regime, the Government has not only exposed itself to the charge of following double-standards but has also set a dangerous precedent for rendering Britain's asylum laws amenable to external pressure.

In short, his deportation will put him in no danger, will not stop his activities and will remove economic risks from many ordinary UK citizens. This seems to me to be a rational act.

Yours faithfully,

JAMES R. ADAMS
Weybridge, Surrey

7 January

From Mr Randal Singh Bains

Sir: Your leading article on Saudi deportation states that "all Mr Masari has done is engage in a peaceful campaign against a medieval, absolutist monarchy". While Mr Masari may not have been directly involved in violent activities directed against the Saudi government, his London-based Committee for the Defence of Legitimate Rights appeared to condone last year's bomb attack on an American building in Riyadh.

However, in attempting to condemn his deportation, one only

needs to defend the principle of asylum, not the man at the centre of controversy. Indeed the Government did exactly that when, a few years ago, it refused to deport the Sikh separatist leader Jagjit Singh Chobhar to India or the MQM leader Altaf Hussain to Pakistan, although both of them were accused of instigating terrorism in their countries of origin.

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Yours faithfully,

TARA MUKHERJEE
President
European Union Migrants' Forum
Brentwood, Essex

5 December

From Dr E. Moran

Sir: As reported by Rebecca Fowler ("Everyone's gone ticket crazy", 6 January), the large jackpot not only attracted new punters to the lottery draw but also resulted in those who had previously bought tickets spending more. The significance of this needs to be emphasised.

The amount of money staked on the weekly draw is not evenly distributed throughout the participating population. In the United States, it has been found that while the expenditure of most ticket purchasers is light or moderate, the major portion of the total amount of money staked comes from a relatively small group who spend large amounts of money. Thus, in California, the 10 per cent of the adult population who purchased most tickets accounted for 65 per cent of the total amount of money staked.

The findings of a recent survey conducted in the United Kingdom seemed to be consistent with the American experience.

Clearly, the impact of the generalised increased purchase of draw tickets resulting from the large jackpot is greatest on the group that was already spending the highest amounts. Furthermore, the extensive publicity about the jackpot and other winners obscures the fact that the vast majority of those who purchase draw tickets win nothing, including those who stake large amounts.

Yours faithfully,

E. MORAN
Chairman

lans

D. M. M. 1996

comment

Triumph of hope over laws of probability

The appeal of lotteries is profoundly pagan because it elevates the role of chance above that of God and reason

So you think the lottery has peaked, do you? Well, I can understand your reaction.

Nine out of every 10 adults (that is about 40 million people) bought a ticket last week, shelling out a fiver-giving £128m in the space of a week. Given that only three people won a share of the £42m jackpot and that only a million or so won anything at all, that leaves about 38,999,967 punters tearing up their tickets in disgust and muttering to themselves, "Never again."

But they will soon be back. And what is more, this is merely the beginning of lottery mania. Soon, I predict, only a handful of cranks like me will shun the weekly mass flutter.

My authority for this prediction is impeccable. It is the great Argentine writer Jorge Luis Borges whose short story, *The Lottery in Babylon*, which was first published more than 40 years ago, should be required reading for all the *lotto-holics*.

In Borges's imaginary ancient Babylon, the lottery begins as "a game of plebeian character ... Barbers sold, in exchange for copper coins, squares of bone or of parchment adorned with symbols. In broad daylight a draw took place. Those who won received silver coins."

But this elementary system proved only modestly successful because it was "not directed at all of man's faculties, but only at hope". So someone suggested a reform (Camelot, please note): "the interpolation of a few favourable tickets in the list of

favourable numbers". This reform meant that punters ran a double risk: not only of winning a considerable sum, but of losing it, too. "This slight danger" immensely increased public interest. The lottery became a kind of mass Russian roulette.

Now was this all. When all the losers refused, or were unable, to pay their fines, "the Company" (as Borges calls the organisers of the lottery) sued them and secured their imprisonment. After a while, "the lottery lists simply omitted the amounts of fines and listed themselves to publishing the days of imprisonment that each unfavourable number indicated".

Yet this, too, implied reform: if losing could take a non-monetary form so, too, should winning – or so it was argued. And was it quite fair that the rich should be able to afford so many more lottery tickets than the poor?

"The just desire that all, rich and poor, should participate equally in the lottery" led to its being made secret, free and universal. "The mercenary sale of chances was abolished ... Every free man automatically participated in the draw ... which determined his destiny from the next draw."

This perfected system was no longer merely a game of chance: it was a way of life. Indeed, it was life itself. "A fortunate play could bring about promotion to the council of wise men, of the imprisonment of an enemy ... A bad play: mutilation, infamy, death." Babylon thus became "nothing else than an infinite game of chance".

Of course, in order for such a system to function properly, it was necessary for "the Company" to be given total power.

Now the point of all this is not to prophesy that Camelot – our own version of "the Company" – will one day take over all our lives (though there were times during the weekend when this began to seem a distinct possibility).

The point is that Borges had a deep insight into the appeal of all lotteries. That appeal is profoundly pagan, because it elevates the role of chance above that of God or reason.

There are two reasons for boycotting the lottery, and only two. One is an ethical – usually religious – aversion to gambling. This is most strongly developed among Calvinists. Not only does their belief in divine predestination leave no room for the operation of chance; Calvinists also instinctively

feel that good fortune must be earned by hard work – hence their aversion to all forms of gambling.

There is, I suspect, an atavistic element of this in my boycott of the lottery. But it is the second argument – the rational argument – which, to my mind, counts for more. It is the simple matter of probability. The chances of winning millions of pounds are so infinitesimal as to make it irrational to participate.

That is not to say that all gambling is irrational – just the lottery. Other popular forms of gambling – betting on horse races, for example – contain a genuinely rational element. It is possible, by studying the form of racehorses, to make informed predictions about their chances of victory in a given race.

However, to pay £50 for a handful of lottery tickets – like the man queuing in front of me in the petrol station on Friday night – is not rational. It is a triumph of mere hope over the laws of probability.

How are we to account for the present mania for the lottery? The answer should by now be obvious: 90 per cent of us are clearly neither Calvinists nor Rationalists. Or, to put it another way: only 10 per cent of us continue to be in any meaningful way influenced by the teachings of either the Reformation or the Enlightenment.

Not that this is wholly surprising, though I confess I would have expected the proportions to be more evenly balanced. After all, the 20th century has waged something like a

war of attrition against both Protestantism and reason. A few ingenious scientists, notably the distinguished Richard Dawkins, continue to believe that reason is winning its long-running battle against all forms of "superstition". To Dawkins, belief in Calvin's God is as irrational as belief in astrology – or the National Lottery.

Yet his own work on genetics, especially his theory of the selfish gene, implicitly weakens the rationalist case by arguing that the conscious individual is merely a "machine" or a "temporary vehicle for a short-lived combination of genes". Up to a point, genes depend for their survival on the rationality of their "vehicles". But (as Stephen Gould and others have argued) luck also plays a pretty big part, for the simple reason that major environmental changes cannot be predicted.

Nor can the minor changes we call the weather. This was one of the first problems addressed by chaos theorists such as Edward Lorenz. Which brings us to the heart of the matter. Calvin and Newton agreed on one thing: that the universe was governed by deterministic laws. But chaos theory tells us those laws are so complex as to rule out accurate prediction. It seems the universe itself has become a lottery.

Small wonder, then, that "the Company" is doing so well: the National Lottery is simply a profitable offshoot of the chaos theory. Only one question remains: how long will it be before Borges's vision is realised and we can run the delicious risk of actually losing £42m by buying a ticket?

No longer the rubber stamp

Jonathan Eyal looks at Russia's foreign policy after Kozyrev

The resignation this weekend of Andrei Kozyrev from Russia's foreign ministry has been greeted by Western governments with a deafening silence. The subject of intense hatred among Russia's nationalists and Communists, Kozyrev has long been a liability for President Boris Yeltsin. His departure, elegantly explained away by a decision to opt for a parliamentary seat, allows Yeltsin to grant one of the nationalists' main demands without having to perform a humiliating climbdown.

In theory, nothing has changed: Russia will still need Western economic assistance regardless of who is in charge of its ministries, and the country is now tied to myriad international treaties and organisations, something which should preclude violent swings in foreign policy. Yet Kozyrev's demise remains important, for it signifies just how hollow the much-touted "partnership" between Moscow and the West really is. A new foreign minister is unlikely to opt for outright confrontation. But the Kremlin will demand real concessions for its co-operation. The age of irrelevant communiqués and grand talk about united continents is over; the games of balance-of-power and spheres-of-influence have returned and with a vengeance.

Kozyrev originally espoused the idea that the end of the Soviet empire was a liberating experience for Russia itself. But, unlike other empires, the Soviet Union collapsed suddenly and peacefully, and most Russian leaders genuinely believe that the demise of the Soviet Union was a mistake which must be corrected. They differ on methods and on the countries concerned, but that the former Soviet republics should be brought under Russian control, and that Russia is entitled to a sphere of influence as great as power, is now the accepted wisdom in the Kremlin.

The great Russian-Western partnership was based on two myths: the belief that a democratic Russia would, by definition, share similar strategic interests with the West, coupled with the assumption that it was possible to treat Russia as a great power without actually making any real concessions.

The Russians acquiesced in the Gulf war; the Americans were grateful for the co-operation, but proceeded to eliminate Russia from subsequent Middle Eastern diplomatic initiatives. Yeltsin was told to stop supplying weapons to unstable or unsavoury governments, only to see Western arms sales soar.

Not spelling out what it wants is now Russia's policy in Europe

opposition to Nato's enlargement in central Europe is not based on any clear idea about what the continent's security arrangements should be, rather, on the assumption that, once Russia's economic difficulties are sorted out, the Kremlin would be able to get a better deal. Thus, not having a policy, not spelling out what it actually wants, is now Russia's policy in the heart of Europe. And even if the Russians ultimately agree to a treaty in Europe, they will insist that, in return, their own control over the space of the former Soviet Union should be explicitly accepted.

In short, an entire Moscow political elite now seems to believe a Russia that is feared is likely to be treated with more respect by the West than a Russia that is loved.

The West can either reach an accommodation or choose to confront Russia's demands openly. But the result will be the same: a world divided into spheres of influence.

The author is director of studies at the Royal United Services Institute in London

War without casualties

Christopher Bellamy draws a lesson from the BBC's new series on the Gulf war which began last night

Five years after the end of the Gulf war we are now beginning to explain some of the mysterious decisions of the time, and to begin to draw lessons about modern warfare. Promotional excerpts from the BBC's new four-part documentary series *The Gulf war*, and the reactions to them, mark the it as a turning point in the West's attitude to war and peace. What changed was the attitude to casualties, Allied and Iraqi. The subject permeates the series and has permeated the reaction to it.

The BBC and Fine Art Productions, which made the programmes, have found much new footage and tracked down most of the key players – including Saddam Hussein's chief of intelligence, General Wafic al Sammarai, now in exile. They have thus cleared

There is a danger we will get too squeamish. But things do go wrong in war – it's messy

up many of the mysteries of the war: the taking and causing of casualties determined Iraqi strategy; the Iraqis did not use their chemical weapons arsenal because they feared retaliation; Saddam hoped to win by inflicting casualties on the Western powers, which he believed they would find intolerable – in fact, they suffered very few.

Five years on, the Gulf war still appears as an extraordinary example of the art of war. It stands out as a paradigm of "limited war", as defined by the West's greatest thinker on that terrible subject, Carl von Clausewitz (1780-1831). It was a war limited by its political objectives, in which the military campaign was turned off the moment very specific objectives were achieved. The political and diplomatic achievement in holding the anti-Iraq coalition together, and the execution of the Allied campaign with fewer Allied casualties than anyone dared hope, still seem almost miraculous in a world that has since become used to the endless complexities of places like Somalia and Bosnia.

But even though the Western casualties were so few, they still dominate



Casualties, both Allied and Iraqi, changed the West's attitude to war and peace

Photograph: P. Durand/Sygma



General Sir Peter de la Billière

discussion. In the second programme, for example, the British commander in Saudi Arabia during the war, General Sir Peter de la Billière, says he wanted to stop the RAF from using low-level bombing targets earlier than they did, but that he was subject to "disgraceful interference" from a "senior officer" in the Ministry of Defence, which might have resulted in

the Allied air campaign, which was run by the Americans. Sir William said he was unaware of any interference from someone in the MoD. In any case that person, whoever it was, would not have been in the "chain of command" and therefore did not matter. Sir William (RAF) answered to Sir Peter (Army) and he answered to Sir Patrick Hume (RAF), the "joint commander" of the British operation at High Wycombe, who in turn answered to the Chief of Defence Staff (also RAF).

On the face of it, if there was an argument about air tactics, there were plenty of airmen above and below Sir Peter to sort it out.

Last week, Sir William said that he took the decision to move away from low-level bombing on the fourth day of the war, and was under no pressure to do other than he thought fit. "We're talking a day either side," he said, "maybe hours."

In the first five days the British lost four Tornado GR1 low-level bombers. The first crew, John Petter and John Nichol, survived, were shot down on 17 January, captured and tortured, but later released. John Nichol is now leaving the RAF to write novels. (Last week, he said that RAF losses in the Gulf war were fewer than would be expected in a normal year's training.) The second crew, Nigel Eildon and Max Collier, were killed on 18 January. A third crew survived being shot down on 20 January, a fourth died on 22 January.

Even if the decision to move to high-level bombing had been taken a day or two earlier, bearing in mind that the 200-page computer-generated set of orders for the air campaign was



John Nichol: tortured but released

Last week, Sir William said that he and Sir Peter were good friends and was anxious to avoid an argument. One of their memories is clearly at fault. But does it really matter? The fuss that has been made since reveals a profound change in our attitude to casualties in war. What must the veterans of bomber command in the Second World War think of the fuss

about the possible unnecessary loss of one aircraft?

What matters is that attitude to casualties in military operations has changed dramatically. And that applies to the "enemy", as well. The BBC programme reveals the process that led to the ground campaign being halted. The fear of accusations of butchery against the fleeing Iraqis led to the decision to halt the campaign early, which let Saddam's Republican Guard escape. Interviews with General Colin Powell, the US Chairman of the Joint Chiefs of Staff, reveal that the US decided to halt the campaign even before the grisly film from Mutla ridge, where fleeing Iraqi troops were incinerated, had reached the TV screens. "I pointed out that we were starting to see some scenes that were unpleasant," says General Powell.

Concern for Allied and Iraqi lives led Powell to call a halt before one of the declared objectives – the destruction of the Republican Guard – was complete. Maybe that was right, too. But there is a danger we will get too squeamish. We will expect military operations to go smoothly – when almost invariably, they do not. We will demand that "something must be done", and go to war too easily. The moment we see "something unpleasant", we will demand withdrawal – which can compound the problem – and look for someone to blame. Things do go wrong in war. It is a messy business, not to be taken in hand lightly.

The writer reported for the *Independent* from Saudi Arabia throughout the Gulf war



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business

TODAY

Companies

Official figures for new consumer credit in November from the Bank of England are likely to show a retreat from the previous month's record level. Partial figures already released by the British Bankers' Association suggested as much. Even so, the increase during the month is expected to be around £700m thanks to the availability of cheap credit and a pick-up in spending on the high street. The Bank of Eng-

land will also publish comprehensive mortgage lending figures for November, expected to confirm signs that the housing market is stabilising. The Nationwide and Halifax house price indices for December indicated that prices might have turned the corner.

Interims: Calluna, Ellis & Everard, Merchants Trust (Q3), Universal Salvage, Williamson Tea.

Finals: A G Barr, Inspirations, Treat.

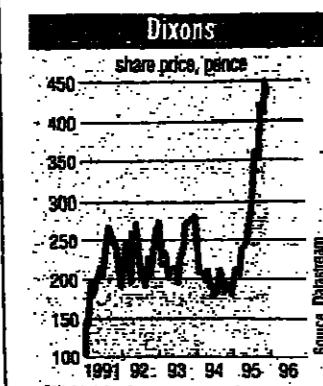
Economics

Full monetary statistics including: bank and building society balance sheets; final M4 and lending; personal borrowing; public sector funding; money market; sterling commercial paper and medium-term note issue; interest and exchange rates (Dec).

TOMORROW

Companies

The British Retail Consortium today issues its sales monitor.



Banks, Retail

	Mid Value	Stock	Weekly	Price	Chg	Ytd	P/E	Code	Mid Value	Stock	Weekly	Price	Chg	Ytd	P/E	Code	Mid Value	Stock	Weekly	Price	Chg	Ytd	P/E	Code
Banks, Merchant																								
ABN Amro	450	ABN	+1.5	100	-1.0	10.0	10.0	ABN	450	ABN	+1.5	100	-1.0	10.0	10.0	ABN	450	ABN	+1.5	100	-1.0	10.0	10.0	ABN
Barclays	380	Barc	+1.5	93	-1.0	9.0	9.0	Barc	380	Barc	+1.5	93	-1.0	9.0	9.0	Barc	380	Barc	+1.5	93	-1.0	9.0	9.0	Barc
HSBC	375	HSBC	+1.5	93	-1.0	9.0	9.0	HSBC	375	HSBC	+1.5	93	-1.0	9.0	9.0	HSBC	375	HSBC	+1.5	93	-1.0	9.0	9.0	HSBC
Leeds	240	Leeds	+1.5	93	-1.0	9.0	9.0	Leeds	240	Leeds	+1.5	93	-1.0	9.0	9.0	Leeds	240	Leeds	+1.5	93	-1.0	9.0	9.0	Leeds
Midland	410	Midl	+1.5	93	-1.0	9.0	9.0	Midl	410	Midl	+1.5	93	-1.0	9.0	9.0	Midl	410	Midl	+1.5	93	-1.0	9.0	9.0	Midl
NatWest	350	NatWest	+1.5	93	-1.0	9.0	9.0	NatWest	350	NatWest	+1.5	93	-1.0	9.0	9.0	NatWest	350	NatWest	+1.5	93	-1.0	9.0	9.0	NatWest
Scot. Wid. Fund	210	Scot Wid	+1.5	93	-1.0	9.0	9.0	Scot Wid	210	Scot Wid	+1.5	93	-1.0	9.0	9.0	Scot Wid	210	Scot Wid	+1.5	93	-1.0	9.0	9.0	Scot Wid
Ulster	225	Ulster	+1.5	93	-1.0	9.0	9.0	Ulster	225	Ulster	+1.5	93	-1.0	9.0	9.0	Ulster	225	Ulster	+1.5	93	-1.0	9.0	9.0	Ulster
Distributors																								
Academy	304	Academy	+1.5	93	-1.0	9.0	9.0	Academy	304	Academy	+1.5	93	-1.0	9.0	9.0	Academy	304	Academy	+1.5	93	-1.0	9.0	9.0	Academy
Argos	510	Argos	+1.5	93	-1.0	9.0	9.0	Argos	510	Argos	+1.5	93	-1.0	9.0	9.0	Argos	510	Argos	+1.5	93	-1.0	9.0	9.0	Argos
Brown & Root	285	Brown & Root	+1.5	93	-1.0	9.0	9.0	Brown & Root	285	Brown & Root	+1.5	93	-1.0	9.0	9.0	Brown & Root	285	Brown & Root	+1.5	93	-1.0	9.0	9.0	Brown & Root
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Deutsche																								

Exchange set to decide on Caradon

DAVID HELLIER

The Stock Exchange is believed to be considering what action to take at the conclusion of an investigation into share dealing in Caradon, the building products group, ahead of its results in September.

Although the Exchange stood down an earlier investigation last year, in the past few weeks it has received fresh allegations which have led it to re-open its inquiry.

The latest claims, first reported last week in the *Independent*, involve a possible

relationship between Robert Fleming, the City investment bank, Financial Dynamics, Caradon's public relations firm and one of the City's largest, and the alleged leaking of Caradon's results in advance of their publication.

The Exchange is trying to ascertain whether anyone at Robert Fleming made improper use of privileged information. Heavy trading in the shares on the Friday before the results were first attracted the attention of regulators. Caradon brought forward its results and issued a profits warning on the Monday, leading a number of

shares changing hands at about 210p each in the late afternoon. At the time, dealers expressed concern over the trades saying that volume implied that some people were aware of Caradon's poor performance in advance of the publication of the company's figures.

The likelihood is that there had been a leak was strengthened when reports that Caradon would unveil disappointing figures appeared in two Sunday newspapers. Caradon brought forward its results and issued a profits warning on the Monday, leading a number of

brokers to downgrade their forecasts. Last week, Robert Fleming conducted its own inquiries but declined to comment. In the early part of the week, three employees were absent from the office. By Friday, one had returned to work, while a second is expected back today.

The employee who returned on Friday explained that he had been writing a research paper at home. He declined to comment on whether he had been subject to questioning during the internal inquiry.

Stock Exchange surveillance sources said last week they

were looking into allegations of improper use of privileged information to building analysts about an increased profit forecast for Amec, the UK construction group that was attempting to ward off a hostile bid from Kværner, the Norwegian concern.

Amec managed to see off the bid and subsequently replaced Financial Dynamics with another PR firm, Dewe Rogerson, after the public rebuke from the Takeover Panel.

At the time of the Amec affair, Bill Staple, the director-

general of the Takeover Panel, was reported as saying that he hoped the ruling would serve as a warning to the entire market that the regulator was determined to clean up the City.

It is thought that Financial Dynamics believes there is a smear campaign under way, and questions the origins of the allegations. It is an especially sensitive time for the firm, as it is in the process of devising a new share incentive scheme to reward key employees and to prevent departures to rival firms. Financial Dynamics had no comment yesterday.

At the time of the Amec affair, Bill Staple, the director-

Woolwich considers becoming a bank

NIGEL COPE

Woolwich Building Society is considering plans to convert to bank status and seek a stock market listing, with some sources suggesting that an announcement could be made as early as next week. Woolwich refused to comment on weekend speculation that an announcement was imminent. However, it said it would reveal its intentions by the end of March.

"We are no longer commenting on this kind of speculation," a Woolwich spokesman said. "We are examining various options. If and when there is something to announce we will announce it."

If it does decide to convert to bank status and seek a stock market listing, Woolwich members could receive shares to the value of £680 on average.

The building society sector has been plagued by the wave of "hot money" that has been cascading through the financial sector over the last year as investors try to take advantage of conversion and float plans by opening myriads of building society accounts with tiny balances. Last summer Woolwich increased the minimum deposit required to open an account from £100 to £500, to deter bounty-hunters.

Alliance & Leicester has increased its minimum balance to £1,000 but Woolwich will keep its opening minimum at £500. Speculation has been rife that Woolwich was planning a move to bank status. Some feel the catalyst is the appointment of the new chief executive, Peter Robinson, who took over from Donald Kirkham last week.

Following Abbey National's conversion to bank status, Halifax has announced similar plans while Cheltenham & Gloucester was taken over by Lloyds Bank.

Granada meeting fuels talk of rise in bid price

MATTHEW HORSMAN

Media Editor

Senior managers of Granada were locked in meetings yesterday ahead of this week's crucial final stages of the hostile £3.3bn bid for Forte.

The weekend session fuelled speculation in the Forte camp that Granada was planning to raise its offer - which it must do by tomorrow at the latest under Takeover Panel rules.

But Henry Stanton, Granada's finance director, speaking from a conference room at the company's London headquarters, said a final decision had not yet been made. "We still have a lot to go over, and it makes sense to do so without all the phones ringing."

A Granada spokesman also warned against reading too much into the Sunday meeting. Gerry Robinson, chief executive, who was in touch by telephone but not at work yesterday, "will have to make a decision in the next 24 hours", the spokesman said. "But remember, he is a very hard-nosed manager, and he knows what Forte is worth. If he is

asked to pay more, or if the market seems to be demanding more than a realistic amount, he'll walk away."

Granada's decision is likely to be finely balanced. A raised bid of less than 360p a share is unlikely to secure shareholder support, analysts said. Only an offer close to 380p would be considered a knock-out bid.

But an offer as high as that would be difficult to justify to their own shareholders, Granada insiders conceded.

If it raises the stakes, Granada is expected to publish a detailed analysis of Forte's restaurant and hotel businesses, showing how it could achieve a promised £100m in enhanced profitability. The plan is based on achieving cost savings through centralised purchasing and reduced overheads, and on introducing a new pricing regime at Forte's Little Chef and Happy Eater roadside restaurants. It also plans to increase room rates at Forte's budget Travelodge and mid-market Posthouse hotels.

A meeting with analysts is likely to be scheduled to discuss the profit plan, but only if a higher offer is unveiled.

He also questioned Kleinwort Benson's contention that the

share buy-back could be earnings-enhancing in the year ending January 1998.

City expectations of a raised bid centre on a range of between 360p and 380p a share, compared with the 327p value attached to Granada's initial cash-and-shares offer at market close on Friday. Forte shares last traded at 345p.

Meanwhile, the two camps continued to trade criticisms yesterday over the question of Forte's true value. Leisure analysts at Kleinwort Benson last week suggested that Forte's radical defence plan, which includes an £800m share buy-back, the distribution of the company's shares in the Savoy group of hotels and the sale of its restaurant businesses to Whitbread for £1.05bn, was worth 368p per Forte share.

However, Mr Stanton yesterday disputed the calculation, saying that, on Kleinwort's own assumptions and on the details contained in Forte's final defence document, the figure was 344.5p a share.

He also questioned Kleinwort Benson's contention that the



Eyes on the prizes: Gerry Robinson must decide by tomorrow if Forte's assets are worth an increased offer price

Sears looks at selling two shoe shop chains

DIANE COYLE

and NIGEL COPE

Sears, the retail conglomerate that includes Selfridges and Freemans, is considering a further reduction in its sprawling portfolio, with the Saxone and Curteess shoe shops likely to be sold or converted to other formats. Some analysts expect Liam Strong, chief executive, to make an announcement on Thursday with the company's Christmas trading statement.

Saxone and Curteess are old, underperforming business that Sears is keen to dispose of to

concentrate on its new concepts, which include Shoe Express and Shoe City.

Possible buyers include Stephen Hinchliffe's Facia group which has already bought the Freeman, Hardy and Willis chain from Sears. However, it is understood that other buyers may also come forward.

Sears' figures are expected to show that, although the Selfridges department store has enjoyed strong sales, other parts of the group have experienced mixed fortunes.

Other figures due this week will show that high street trad-

ing was more buoyant over Christmas than many retailers had dared hope. Dixons, the electrical group, is expected to report a strong rise in profits and a good start to its winter sale. Figures due from the British Retail Consortium tomorrow will show a healthy sales increase. Other data from the Finance and Leasing Association will show that it was a "plastic-happy" Christmas, with more shoppers making purchases with credit cards and instant store charge cards.

The association's members, which represent almost all consumer credit outside the banks and building societies, reported total November spending on plastic amounting to £1.8bn. This was 20 per cent higher than the previous year.

Martin Hall, director general, said: "Our analysis of November spending shows consumers used plastic more this Christmas than ever before."

The FLA says in a report out today there had been a particularly strong increase in instalment credit, up 36 per cent year-on-year to £202m in November. There were also early signs of recovery in consumer demand for cars. Financing for car purchase rose 8 per cent to £251m. The used car market performed particularly well.

This week will bring the first snapshot of retail spending in December. The BRC sales monitor tomorrow will be followed by the CBI's distributive trades survey on Friday. Official retail sales figures for December are due out next week.

He and unspecified partners would end up controlling the company, which is expected to have a market capitalisation of about £12m-£15m.

Mr Rubythorn confirmed that the project was under way, but declined to comment further.



Taking stock: Liam Strong, chief executive of Sears, could decide to put the boot in at Saxone and Curteess

Landmark judgment today on pensions

NIC CICUTI

Victims of the personal pensions scandal will hear today whether they have lost their right to sue for compensation in court because of a move by insurers to block legal action against them.

A landmark legal judgment will rule on whether some of Britain's biggest insurers, including Prudential, TSB Life and Irish Life, have won a stay of proceedings launched against

them by a Bristol legal firm, Ringrose Wharton.

At stake are the cases of many thousands of pension policyholders who were allegedly mis-sold personal pensions and who might want to seek redress through the courts.

About 75 cases are immediately affected by today's ruling, being given at Bristol Mercantile Court. Up to 250 more Ringrose Wharton clients, many of them members of the

Royal College of Nursing and the GMB general union, are almost at the stage where writs might be issued.

Experts believe the hearings will determine the future of at least 1,000 more cases being prepared for court hearings throughout the country.

About 75 cases are immediately affected by today's ruling, being given at Bristol Mercantile Court. Up to 250 more Ringrose Wharton clients, many of them members of the

hope that the application by the life companies will be thrown out. We can be sure that if it is not, the amount of compensation paid out will be less and fewer people will get it.

Lawyers at Ringrose Wharton took action last year as part of a wider legal offensive against insurers involving several law firms across Britain.

But the insurers argued in court that Ringrose Wharton's clients must wait for the outcome of the pensions review launched by City regulators before proceeding with writs against the companies.

The review, announced by the Personal Investment Authority nine months ago, sets out detailed procedures for dealing with individual cases.

Lawyers at Ringrose Wharton believe the stay of proceedings will lead to long delays before their clients' cases are finally dealt with.

New Sunday business paper to seek listing on AIM

Backers of a new all-business Sunday newspaper plan to seek a listing on the Alternative Investment Market before the title is launched at the end of March, writes Mathew Horsman.

The newspaper, *Sunday Business*, is the brainchild of Tom Rubythorn, founder and former editor of *Business Age*, which he and his partners sold to VNU.

The Dutch publisher, early last year for an estimated £3m, *Business Age* and *Management Week*, Mr Rubythorn's previous publication, developed a reputation for attracting writers.

Mr Rubythorn has secured the help of Williams de Broe, the broking firm, to sponsor a stock market listing.

He and unspecified partners would end up controlling the company, which is expected to have a market capitalisation of about £12m-£15m.

Mr Rubythorn confirmed that the project was under way, but declined to comment further.

Producing three "dummy" issues starting in early March.

Headquartered in Cavendish Square, just off Oxford Circus, *Sunday Business* is attempting to buck the trend against start-ups. Its backers believe it will win circulation from the *Sunday Times*, the market leader, and become a "second" read for business people in the competitive Sunday market.

As well as a weekly magazine, *Business and Fortune*, each issue would contain a broadsheet news section, with an emphasis on profiles and analysis.

With an initial circulation target of 150,000, the newspaper would be printed at West Ferry Printers, the Docklands operation jointly owned by the *Express*, the *Telegraph* and the *Financial Times*, and distributed by arrangement with *Express Newspapers*.

The plan is to hire up to 65 journalists, of which two-thirds would come from the trade press. Mr Rubythorn is believed to be canvassing Fleet Street journalists to fill senior positions as soon as possible, with an eye

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IN BRIEF

Trinity lands £30m Far East order

Trinity Holdings, the specialist vehicle manufacturer, has won orders worth £30m in the Far East. The total includes joint contracts to supply Hong Kong operators with double-deck buses, as well as fire-fighting vehicles in Hong Kong, refuse vehicles for Macau and refuse vehicles and airport tugs for China. Metsec, a company subsidiary, has also won orders for a further 200 bus body kits to supply Singapore's leading bus operator, SBS.

UK owner-managers optimistic

British owner-managed businesses are more optimistic about profitability than their European counterparts, with 54 per cent expecting to increase earnings, according to a survey by accountants Grant Thornton published today. Expectations for exporting are also among the most buoyant of European countries.

Retail property sector set to expand

The main growth in commercial property over the next six months will be in the retail sector, according to a Confederation of British Industry-Grimley survey, published today, with 45 per cent of companies expecting to increase their retail property holdings, and only 14 per cent expecting to reduce theirs. Separ



GAVYN DAVIES

'If I were John Major, I would be quite eager to hang around for as long as possible, just in case these pots of money should have a dramatic effect on the mood of the electorate'

In his interview with David Frost, the Prime Minister again made it clear that he intends to soldier on for an election in 1997. Of course, he has little option but to say that at the present juncture, and he can always change his mind. The obvious difficulties of governing with such a thin parliamentary majority give him a cast-iron excuse to go to the polls whenever he likes. But all the private signs are that the Tories are genuinely preparing for another 15 months in government.

Not everyone thinks this is a good idea. Simon Jenkins argued in the *Times* last Wednesday that such is the disarray in the back-bench ranks, such is the lameness of the governing duck, that the Prime Minister's best chance is to go to the country this summer. If we think only of the politics of Westminster, and particularly of the difficulty of keeping the children inside the nursery, this may be right.

But what about economics? What about that most over-used concept in the political lexicon, the feel-good factor? Simon Jenkins may have reckoned without the succession of large nest-eggs, most of them nothing to do with the Government, which will be jingling into the pockets of the electorate between now and mid-1997. These give Mr Major every incentive to hang on for as long as the Ulster 'squirearchy' will allow.

It is universally received wisdom that the consumer has had a lousy time of late. Every politician who retreats from a doorstep says as much. The estate agents who populate the news bulletins have long faces to accompany repeated prophecies of a pick-up in the

housing market 'next year'. Champagne bartenders report that the vintage years remain in the fridge. Although shopping centres are teeming with people, customers are still said to be 'price-resistant'. It is tough all round, apparently.

Despite this all-pervasive gloom from the commentators, the reality is already rather different, and is set to become more so. No nation truly short of cash could be spending around £3bn a year on tearing up Lottery tickets - that is the amount the punter 'invests', over and above the prize money recycled to the consumer. According to a new study by David Walton and Martin Brookes of Goldman Sachs, expenditure on the Lottery could have depressed the annual growth in retail sales volume by as much as 2 percentage points by the end of 1995. In other words, while the official data was suggesting that retail sales had grown by only 0.7 per cent in the course of last year, the underlying figure may have been over 2.5 per cent. Furthermore, new car registrations by individual purchasers - not included in retail sales - rose by around 6 per cent during 1995. And new mortgage commitments are on the rise again, as are house prices.

None of this rules out a few depressed quarters for output in the UK, since the problem of excess stockbuilding has still to be overcome, both here and in Continental Europe. Even if final demand remains quite strong, output may stagnate as companies supply the consumer off the shelves, instead of from new production. So the growth of output may drop well below the growth of demand for quite a while. However, pro-

vided that the consumer remains reasonably robust, any setback to production, even if quite sharp, will not last very long. And prospects for the consumer are, if anything, improving because of that series of windfalls mentioned earlier.

Tax cuts are not the main factor here. The Budget last November was generally seen by the Tories as a disappointment, since it added only about £3.5bn to purchasing power in the coming fiscal year. But the Chancellor was perfectly well aware when he decided on his package that several extraneous factors would come to the consumer's aid before the election.

According to Messrs Walton and Brookes, personal income will be boosted by around £1bn this spring when households in England and Wales receive a rebate of £54.60 on their electricity bills following the recent flotation of the National Grid. Further boosts to spending power will come from the takeover of the TSB by Lloyds Bank, and from the Abbey National takeover of National and Provincial Building Society, which together will put more than £1.4bn into consumers' pockets before mid-year.

Then there are the maturing Tesses to consider. Principal investments worth about £15bn will be unfrozen in the first quarter of 1996. According to recent surveys of investors, much if not all of this will be immediately ploughed back into new accounts, so there will be little effect on consumer spending. But about £5bn of interest payments will also become available, and a good part of this could easily find its way into spending.

Finally, there is the 'biggie', the real consumer jackpot, a honey pot large enough to impress Winnie the Pooh himself. This concerns the flotation of Halifax Building Society scheduled for the first half of next year. Rough estimates suggest Halifax could be capitalised in excess of £9bn, all of which would be handed over in shares to individual members.

Since many of these members have never had any intention of owning an equity investment in a financial services company (as opposed to holding an account in one), they will probably sell the shares immediately and spend some of the proceeds. The experience of the much smaller £1.8bn takeover of Cheltenham & Gloucester last year certainly suggests that consumer spending is boosted relative to disposable income when this sort of thing happens.

Even without another penny of tax cuts

in the 1996 Budget, and not counting a penny of the principal maturing in the Tesses, the sum total of these windfalls in the next 18 months is an absolutely staggering £18bn - equivalent to more than 2 per cent of total consumption in the economy over the same period. It is hard to imagine that consumers will not feel better off as this money hits their pockets, though up to half of it would come after the election if the Halifax flotation comes after polling day. (How the Chancellor must be racking his brains to think of a way of influencing the timing of that decision!)

The Bank of England argued in its November Inflation Report that the impact of all this extra money on actual consumer spending may not be very large for several reasons. Households may already have anticipated some of the impact; they are unlikely to translate the whole of a one-off windfall into immediate expenditure; and many of the consumers receiving payments have high propensities to save anyway.

Only to the extent that households are strapped for cash ("liquidity-constrained" in the economic jargon) should this monetary injection be expected to flow mainly into spending.

All this may be true. Certainly, economic theory indicates that an increase in wealth, even if unexpected, should not be immediately and fully translated into extra spending. But if I were John Major, I would be quite eager to hang around for as long as possible, just in case these pots of money should have a dramatic effect on the mood of the electorate.

As her company's truce with the founding brothers comes to an end, Saatchi & Saatchi's chief prepares for the reconstruction

Taking into account the rough with the smooth

At one of the many pre-Christmas bashes for which the advertising industry is justly infamous, Jennifer Laing and Maurice Saatchi literally collided. 'How's it going?' Mr Saatchi, Britain's best-known advertising man, asked breezily. Ms Laing, chairman of the London-based Saatchi & Saatchi agency, part of Maurice's former ad empire, was blunt: 'You know exactly how things are going.'

The comment is revealing, for it shows to what degree Ms Laing's business has been conducted, however unwillingly, in the open: through the press, in gossip sessions around Soho, and even in the stacked pages of lawsuits flying between Mr Saatchi's new agency and the firm that forced him out.

Ms Laing, forthright but with a quick smile and calming line in chat, has spent eight months in the top job at Saatchi & Saatchi, the UK agency that makes up just one part of giant Cordiant, the holding company founded and nurtured by Maurice and Charles Saatchi. It has been an 'exhausting' baptism at the head of the Charlotte Street agency.

It was made all the more fraught because of the enduring hostility between the Saatchi brothers and Cordiant, which has been simmering ever since Maurice was forced to step aside in December 1994, following a shareholder revolt.

His departure gave rise not only to suits and counter-suits but a constant barrage of bad publicity, engineered in part by a coterie of PR men and 'friends' of Maurice and Charles'. It was in this climate that Maurice and Saatchi set up a new agency, now called M&C

Saatchi, and quickly poached high-level staff and clients from the hapless Cordiant. Three senior executives led the exodus and clients like Dixons, British Airways and Gallagher shifted business worth £90m a year to the fledgling competitor.

For its part Cordiant, which includes three global advertising networks including Saatchi & Saatchi Worldwide, struggled to keep afloat, aware that public perceptions are nearly as important as clients in the cut-throat advertising industry.

Looking back on last year's battle, Ms Laing expresses not

THE MONDAY INTERVIEW

JENNIFER LAING

rage but exasperation. 'Their attitude is sad for us and sad for them. I am, to be truthful, a little tired of all the misinformation. It's the sort of thing I haven't come across before. These are, after all, my ex-colleagues, my friends.'

She dismisses talk that M&C Saatchi will move to poach more Cordiant clients, following the expiry on 1 January of a truce between the two sides reached last May. The agreement prevented M&C Saatchi from approaching Cordiant's clients and staff.

'It's really easy to be myopic but you must remember that our business is global,' she says. 'We are a global brand competing with a small local agency called M&C Saatchi. Everyone poaches from everyone else - that's the business. But we are so much bigger.'

Nor will she let go of the name 'Saatchi', despite suggestions that Maurice would like to have it to himself. 'They

don't own that name,' she insists. 'They sold it to shareholders, and became hugely rich as a consequence.'

Ms Laing, who looks a tad younger even than the 46 years she admits to lying about, is particularly indignant about what she calls the 'most utterly ridiculous misinformation of all': the rumour that she was considering jumping ship herself to join Maurice and Charles. 'When I first heard the rumours, I broke out in spontaneous laughter, nearly fell off my chair. It was mischievous, and it certainly started with

young, confident people, with passion and belief.' She adds that debt reduction and a rights issue have given the bolding company a stable foundation.

Account wins also helped to boost spirits, with fresh business coming from long-time client Procter & Gamble as well as first-time accounts from Norwich Union Direct and the Playboy Channel. Cordiant as a whole says new business nearly outweighed the losses on an annualised basis, and looks forward to a better return in 1996.

The company calls for revenue growth of about 7.5 per cent in the year, roughly in line with the expected growth of the advertising market. That compares with about 8.5 per cent this past year, when revenues reached £775m. Margins are set to improve.

'It will be a so-so year,' Ms Laing says. 'There is still a lack of real confidence in the market.' And her favourite Saatchi catchline for 1995? 'The Tetley beer slogan, of course. "Take the rough with the smooth": as good a summary of Ms Laing's year as any.'

Matthew Horsman

Her new job pays a less-than-extravagant £175,000 a

year, although she is believed to be in line for performance-related bonuses - promising enough, it is said, to keep her tied to Charlotte Street.

The past year was difficult by any definition. Cost-cutting led to redundancies and a first-half loss after restructuring expenses. The detections of the first half of 1995 also took their toll on staff morale. But Ms Laing insists that the mood and the performance took a decided turn for the better toward the end of the year.

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Electric cars glide onto horizon

Clean-air regulators were having doubts when GM produced a bolt from the blue

York and Massachusetts have adopted identical regulations.

The California Air Resources Board has a record of getting its way with the car industry, for instance in forcing the pace of the adoption of catalytic converters and lead-free petrol. The strictness of the federal anti-pollution standards requiring states to reduce dramatically the levels of fossil-fuel emissions has also provided a powerful incentive to stick to its guns against car industry protests.

A dose of reality seems, however, to have had its effects on the regulators. In recent days, board officials have indicated that they will shortly withdraw the 2 per cent mandate for 1988, on the grounds that the technology for electric cars is not as advanced as had been hoped five years ago. But the 10 per cent sales target for zero-emission vehicles for 2003 will stay.

The retreat has angered environmentalists. Others argue that to force electric cars onto the market when they are not yet attractive or practical would be counter-productive.

The essential problem is one of power, or lack of it. With current lead-acid battery technology

owners would be lucky to get 80 miles out of their electric cars before gliding to a halt.

The range can be shortened depending on conditions. In heavy traffic or cold weather the cars cannot make it that far. Moreover, battery-powered cars tend to lose oomph as the energy levels diminish.

And luxuries beloved by American consumers in particular - electric windows, heated seats and air conditioning - would drain the batteries further.

No wonder there was widespread surprise last week when General Motors, which was at the forefront of the lobbying campaign against California's emission-free mandate, pulled the wraps off the sleek-looking EV1. The two-seater is derived from the 'Impact' electric saloon that GM first promised in 1990 to put into production but later abandoned.

The company said it was ready to begin production at a Lansing, Michigan, plant immediately and that the car would go on sale this year in California and Arizona with a price tag in the mid-\$30,000s.

GM dismissed suggestions

of a contradiction between the its hostility to the California ZEV regulation and its unwillingness of the EV1.

'We didn't think there were

enough buyers out there to satisfy the mandate, but we believe there's an emerging market,' the company said.

Now all eyes will be on the EV1 to see how it fares. Equipped with a familiar lead-acid battery, it has an advertised range of 90 miles. It also boasts power windows and full air-conditioning.

Its future may depend on how many consumers are sufficiently committed to petrol-free travel and want to make a public statement about it on the road.

Meanwhile, GM is working with others on new nickel metal hydride batteries that promise to double the range of cars fitted with lead-acid batteries.

Last week also saw the opening of a first recharging station for electric cars.

In the meantime, all three states that have opted to try to regulate electric vehicles onto the road, California, New York and Massachusetts, still have in place the goal of 10 per cent of all cars offered for sale in 2003.

Whatever the success of the EV1, to most cynics this would seem like a wildly optimistic target. This is America, after all, the country that taught the rest of us how to gaze gas.

David Usborne



Photograph: Jane Baker

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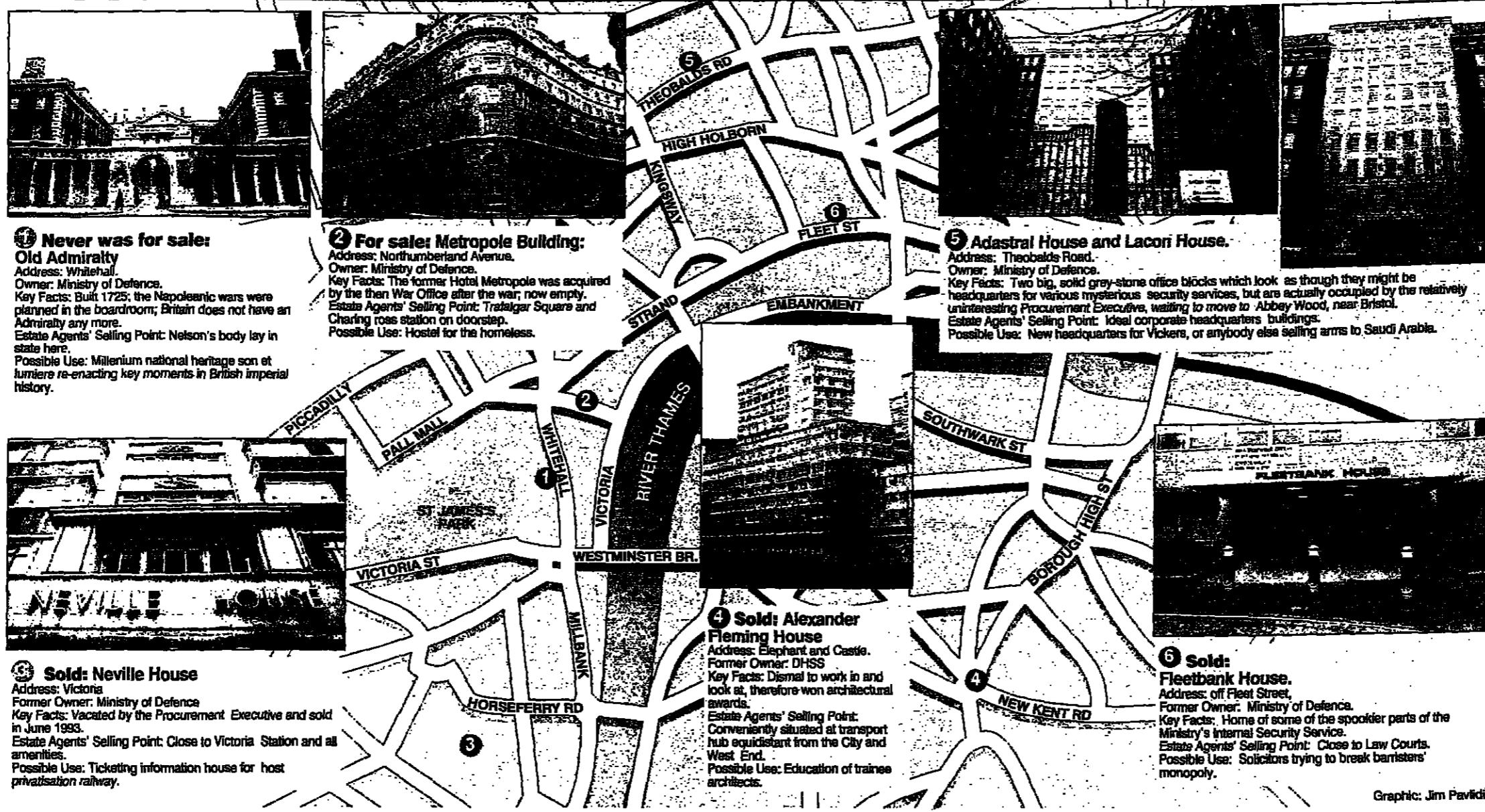
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news

Rare opportunity to acquire: The buildings weeded out of the Government's property portfolio



Graphic: Jim Pavlidis

History for sale, one careful owner

JOHN RENTOU
Political Correspondent

The Admiralty Arch may have been taken off the market even before it was put on, and the sale of Old Admiralty - which provoked appoplexy among the Royal Navy hierarchy - may never have been contemplated, but the "For Sale" sign has gone up over large slices of Whitehall.

Not only is much of the rest of the Ministry of Defence's real estate up for sale, but this month also sees the close of bids for Her Majesty's Treasury. The sale of the Treasury building, in Great George Street, prompts responses as incredulous as Admiral of the Fleet Lord Hill-Norton's reaction to the possible sale of Admiralty Arch.

Lord Hill-Norton, a former Chief of Defence Staff, called Michael Portillo, the Secretary of State for Defence, a "little creep", and John Major seized

the chance to appear to slap down the chief hate figure for potential defectors among moderate Conservative MPs. The Prime Minister "made his views known" and a statement was issued on Friday saying the Government had "no intention" of selling the Arch.

Of the Treasury sale, a Labour MP said: "They're not just selling the family silver, they're selling the box it's kept in." The two short-listed bidders have until the end of this month to submit their tenders for the prime site, overlooking the Houses of Parliament. They will buy the listed building, refurbish it to modern office standards, and then lease part of it back to the Treasury. The surplus will be let commercially. A Labour Party official commented acidly: "That's what the Tories said was an outrage when Labour councils did it, isn't it? They're selling it off and then leasing it back."

The driving force behind the sales, which are transforming the physical appearance of central government, is a revolution which comes into effect in three months' time. In April, Whitehall departments become responsible for their own property. Previously, office space was run for them by the Property Services Agency, an inefficient branch of the Department of the Environment, which took over direct control some years ago.

This has focused attention on the 7 million square feet of empty office space, equivalent to two Canary Wharf towers, which costs the taxpayer at least £100m a year. The other big factor behind the unprecedented game of "musical buildings" which government departments have played in recent years was the decision to demolish the three giant towers on Marsham Street, which brighten the skyline around Westminster Abbey. As a result, the Department of

Transport has already moved to a brand new leasehold block across the road, while the Department of Environment itself will eventually move into Ashdown House and Eland House, government offices yet to be refurbished in Victoria Street.

When departments have to pay the full cost of their premises, many more may try to sell off historic parts of the nation's heritage and decamp into ordinary leasehold offices - as well as looking again at how many civil servants really need to be in SW1 Docklands in east London, having accommodated most of Fleet Street, could take

some of Whitehall on board too. But resistance to the sale of "heritage" buildings to the private sector could act as a brake. Although the Department of the Environment, acting for the Ministry of Defence, denied that there were plans to sell the Old Admiralty buildings at the top of Whitehall, the idea appeared to have been floated alongside the "review of options" for the Admiralty Arch, which connects Trafalgar Square to the Mall and has the best view of Buckingham Palace. But retired brass splutterings about "the room in which the Napoleonic wars

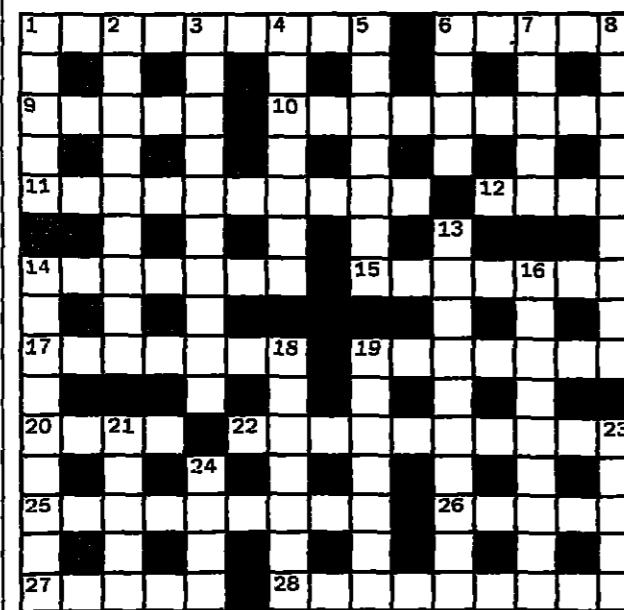
were planned" were enough to rule it out of court. And the Government has run into trouble selling the Royal Naval College in Greenwich, with the University of Greenwich the only serious bidder.

It is, of course, grossly unfair that Michael Portillo should carry the blame for the chill wind of market disciplines blowing down Whitehall. Admiralty Arch does not belong to the MoD now, and the new rules of departmental accounting were actually announced two years ago by William Waldegrave, from the opposite wing of the Tory party.

THE INDEPENDENT CROSSWORD
in association with



No. 2877. Monday 8 January



27 Craft located in Nantucket channel (5)
28 Most important for total unity (6,3)
DOWN
1 Medal grabbing one in action (5)
2 Soften aluminium and leave it misshapen (9)
3 Endeavour to be firm (10)
4 Admit to being dated - there's no way round it (7)
5 Fellow accepting nasty person is not predictable (7)
6 Box made of copper with keys attached (4)
7 About to take in kind German poet (5)
8 Old-fashioned cricketer's mistake that is soon rectified (5,4)
13 No longer in position that's unsuitable (3,2,5)
14 It's not bound to be a hard read (9)
16 Artist's strange tale written in verse (9)
18 Behaves harshly towards family member (4-3)
19 South American country having problem about rainfall (7)
21 Trainee who is not always at ease? (5)
23 Swell kind of stuffs we're told (5)
24 Tease diminutive Jewish leader (4)
ACROSS
1 Fruity source of information? (9)
5 King from Mediterranean island's powerless (5)
9 I catch many inside coastal water (5)
10 Case made for ministerial responsibility (9)
11 Occasion to reward a good worker (4,4,2)
12 Face swarn that's returned (4)
14 Plain song one got into before (7)
15 Sounds like advice for committee (7)
17 Satisfies request with three-quarters increase (7)
19 Embarrassed to appear around noon (5,2)
20 Pair head off for sporting event (4)
22 City of Rome spoilt by development (10)
25 A waste metal smuggled out of Scottish town (9)
26 Next in pursuit (5)

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AND OVER
STRESSED**
Men's health
diagnosed
see Section Two

**SHOWING THE
WAY TO £3m**
Screen
writer

Reacts a
followed
is there a
it?

**ATHOL BACK
ON SONG**
Athol's double
first play since
new regime

**METHOD AS
MANNERISM**

David Gandy
has to prove
he's not a
chess player
He's a dad

He's a dad
for his daughter
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